



MACQUARIE ATLAS ROADS
MANAGEMENT INFORMATION REPORT
31 DECEMBER 2011



Disclaimer

Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited (Registration No. 43828) ("MARIL") and Macquarie Atlas Roads Limited (ACN 141 075 201) ("MARL"). MARIL is an exempted mutual fund company incorporated in Bermuda with limited liability and the registered office is C/- Rosebank Centre, 11 Bermudiana Road, Pembroke, HM 08, Bermuda. MARL is a company limited by shares incorporated and domiciled in Australia and the registered office is Level 11, No 1 Martin Place, Sydney, NSW 2000, Australia. Macquarie Fund Advisers Pty Limited (ACN 127 735 960) (AFS License No.318123) ("MFA") is the adviser/manager of MARIL and MARL. MFA is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) ("MGL").

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This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MQA, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

MFA as adviser/manager of MARIL and MARL is entitled to fees for so acting. MGL and its related corporations (including MFA), MARL and MARIL together with their officers and directors may hold stapled securities in MQA from time to time.

Any arithmetic inconsistencies are due to rounding.

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REPORT SUMMARY

The purpose of the Management Information Report (MIR or the Report) is to provide information supplementary to the Financial Report of Macquarie Atlas Roads (MQA or the Group) for the 12 months ended 31 December 2011. This Report provides a more detailed analysis of the underlying performance of each road asset within the MQA portfolio. The policies applied in preparing this Report are detailed in Section 2.

This Report is prepared on a different basis to the MQA Financial Report, which is prepared in accordance with Australian Accounting Standards. The information contained in this Report does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of MQA for the 12 months ended 31 December 2011 as in the Financial Report. This Report should be read in conjunction with the Financial Report which is available from the MQA website. Refer to Appendix 1 for a reconciliation between the results presented in this Report and the Financial Report.

This Report presents a number of metrics prepared on a proportionate basis which involves the aggregation of the Group's proportionate interest in the financial results of road assets. Proportionate Earnings information presented aggregates the financial results of MQA's toll road assets in the relevant proportions that MQA holds beneficial ownership interests. Proportionate Earnings excludes non-cash items which are not reflective of cash outflows in the current reporting period such as non-cash changes in the fair value of derivatives.

This Report comprises the following Sections:

Overview Section covers MQA's structure and portfolio.

Section 1 – Traffic and Financial Performance presents a summary of road asset performance, proportionate earnings and other measures for the 12 months ended 31 December 2011.

Section 2 – Summary of Significant Policies details the policies that have been applied in preparation of this Report.

Section 3 – Asset Performance provides a more detailed analysis of the performance of MQA's individual road assets.

Section 4 – Asset Debt Information provides further details on the asset level non-recourse debt for each of MQA's assets as at 31 December 2011.

PricewaterhouseCoopers (PwC) have been engaged to perform certain procedures for the directors of Macquarie Atlas Roads International Limited (MARIL) and Macquarie Atlas Roads Limited (MARL) in relation to this Report. The areas covered by PwC's procedures included the following information in Sections 1 and 3 of the Report: Proportionate Earnings (Tables 2, 7 and 8), Proportionate Net Debt (Table 4) and Aggregated Cash Flow Statement (Table 5).

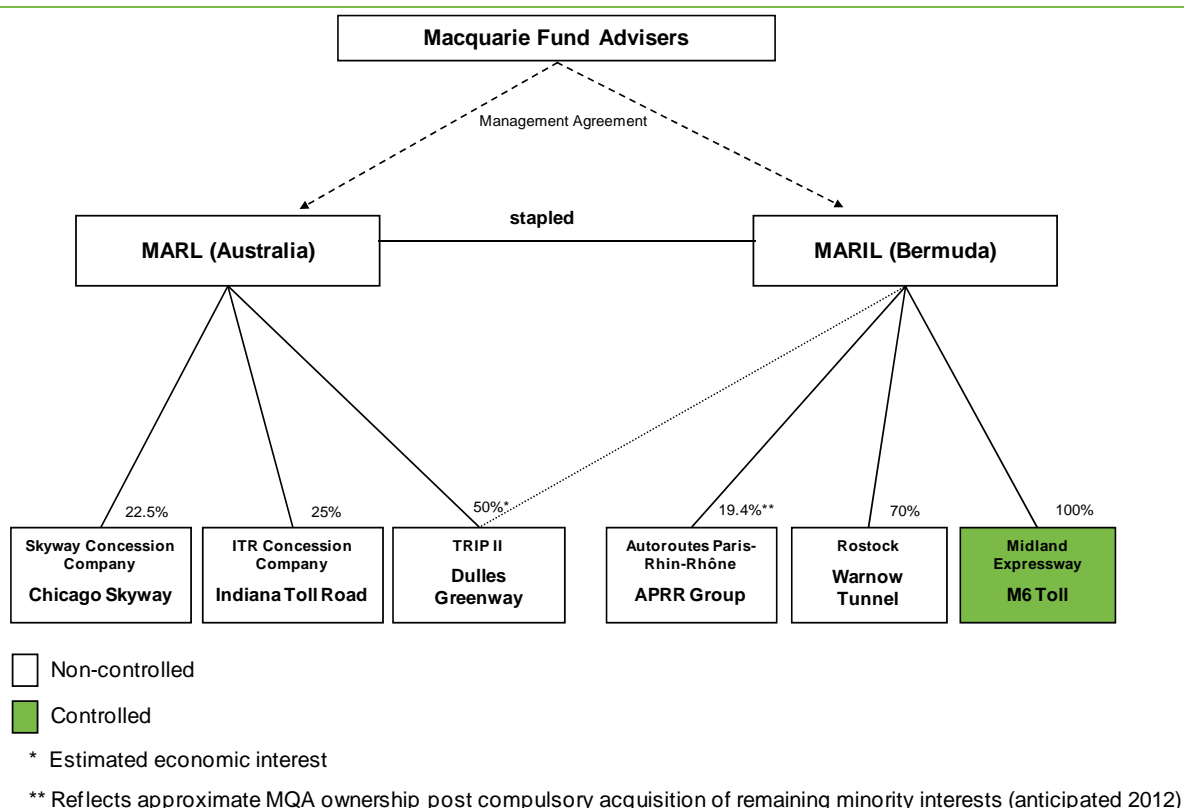
PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the above information or any other aspect of the Report.

OVERVIEW OF STRUCTURE

MQA is a stapled security listed on the Australian Securities Exchange (ASX). Stapled securities are two or more securities that are quoted and traded as if they were a single security. An MQA stapled security consists of a share in Macquarie Atlas Roads Limited (MARL) and a share in Macquarie Atlas Roads International Limited (MARIL).

The diagram below shows the split of MQA's portfolio of assets between the two MQA stapled entities as at 31 December 2011 (unless otherwise stated).

Figure 1 – Structure at 31 December 2011



Information in this Report is presented on an aggregated basis, reflecting MQA's structure at 31 December 2011 (unless otherwise stated).

ASSET PORTFOLIO

As at 31 December 2011 MQA's portfolio of toll road assets and percentage interest were as follows:

	Location	Reporting Currency	Date of initial Acquisition ¹	MQA's Interest as at 31 Dec 11
APRR/Eiffarie	France	€	Feb 2006	19.4% ²
Dulles Greenway	United States	US\$	Sep 2005	50.0% ³
M6 Toll	United Kingdom	£	Oct 1999	100.0%
Chicago Skyway	United States	US\$	Jan 2005	22.5%
Indiana Toll Road	United States	US\$	Jun 2006	25.0%
Warnow Tunnel	Germany	€	Dec 2000	70.0%

1. Reflects initial acquisition by Macquarie Infrastructure Group (MIG). These assets were acquired by MQA on demerger from MIG on 2 February 2010.
2. Reflects approximate MQA ownership post compulsory acquisition of remaining minority interests (anticipated 2012).
3. Reflects estimated economic interest.

An aerial photograph of a cable-stayed bridge, overlaid with a semi-transparent green filter. The bridge's cables create a strong geometric pattern of lines across the frame. Below the bridge, a multi-lane highway curves through a landscape of green fields and trees. The overall composition is clean and modern, with a focus on infrastructure and nature.

1. Traffic and Financial Performance

1 TRAFFIC AND FINANCIAL PERFORMANCE

1.1 Traffic and Toll Revenue Analysis

Table 1 – Summary of traffic and toll revenue growth for 12 months ended 31 December

	Traffic Metric	Traffic Growth on pcp		Toll Revenue Growth on pcp ¹	
		12 months ended 31 Dec 11	12 months ended 31 Dec 10	12 months ended 31 Dec 11	12 months ended 31 Dec 10
APRR	Total VKT	1.6%	2.6%	4.2%	4.3%
Dulles Greenway	Av Daily Traffic	(2.6%)	(3.5%)	2.6%	1.8%
M6 Toll	Av Daily Traffic	(10.2%)	3.2%	(7.2%)	6.2%
Chicago Skyway	Av Daily Traffic	(6.5%)	(4.9%)	13.2%	(6.9%)
Indiana Toll Road	Full Length Equivalent Trips ²	(2.8%)	(0.1%)	6.1%	9.5%
Warnow Tunnel	Av Daily Traffic	0.9%	8.8%	9.0%	12.6%
Portfolio Revenue Weighted Average		(0.7%)	2.1%	2.8%	4.6%

1. Excludes other revenue such as rental income.

2. Full Length Equivalent Trips (FLET) for Indiana Toll Road is derived from a distance weighted average of the Ticket and Barrier systems' average daily traffic (ADT).

Revenue weighted average traffic for the 12 months ended 31 December 2011 has decreased compared to the prior corresponding period (pcp), reflecting weak economic conditions in the United States (US) and the United Kingdom (UK), partially offset by growth in light and heavy goods vehicle traffic on APRR.

The underlying toll revenue increased for 5 of the 6 roads in the portfolio reflecting the positive impact of changes to tolling structures implemented during 2010 and 2011. This was partially offset by a fall in revenue experienced by the M6 Toll due to a decline in traffic.

APRR recorded positive traffic growth for the 12 months ended 31 December 2011. The pcp reflected a number of one-off effects, both positive and negative. Traffic in the first and fourth quarters of 2010 was negatively impacted by heavy snow, while traffic for the second quarter of 2010 benefited from air disruptions arising from the volcanic ash cloud, rail strikes and excellent snow conditions in ski resorts.

Ongoing weakness in the UK economy, elevated fuel prices and improved travel conditions on the competing M6 continued to negatively impact M6 Toll traffic. Average daily toll revenue for the M6 Toll fell by 7.2% for the 12 months ended 31 December 2011, a smaller reduction than in traffic due to the revised toll schedule introduced on 1 March 2011.

Traffic on Dulles Greenway fell 2.6% in 2011, compared to a 3.5% decline in 2010. Average daily toll revenue at Dulles Greenway was 2.6% above pcp, driven by toll increases implemented on the Greenway on 1 July 2010. Weak traffic conditions continue across the corridor due to a sluggish economy, higher fuel prices, and traffic elasticity resulting from toll increases on the Greenway and the connecting Dulles Toll Road.

Traffic volumes on the Chicago Skyway and the adjoining Indiana Toll Road (ITR) were impacted by toll increases on both roads, higher fuel prices and construction works on the ITR barrier system. Despite decreases in traffic, revenue increased by 13.2% and 6.1% for the year on the Chicago Skyway and the ITR respectively as a result of toll increases.

Average daily traffic for Warnow Tunnel has increased by 0.9% for the 12 months ended 31 December 2011 compared to the pcp. Higher traffic, as well as the new winter (November-April) and summer (May-October) toll schedules resulted in a 9.0% increase in average daily revenue for the 12 months ended 31 December 2011 on pcp.

1.2 Financial Performance Summary

Table 2 – Proportionate Earnings for 12 months ended 31 December

	Actual Results 1 Jan to 31 Dec 11 A\$m	Pro Forma Results 1 Jan to 31 Dec 10 A\$m ¹	Change vs. pcp	Actual Results 2 Feb to 31 Dec 10 A\$m ²
Operating revenue	712.2	691.6	3.0%	709.1
Operating expenses	(193.8)	(193.0)	0.4%	(195.7)
EBITDA from road assets	518.4	498.6	4.0%	513.4
EBITDA margin (%)	72.8%	72.1%	0.7%	72.4%
Asset maintenance capex	(34.6)	(33.4)	3.4%	(34.1)
Asset net interest expense	(253.9)	(250.6)	1.3%	(251.2) ³
Asset net tax expense	(14.6)	(58.3)	(75.0%)	(58.7)
Proportionate Earnings from road assets	215.4	156.3	37.8%	169.4
Corporate net interest income	1.0			3.7
Corporate net expenses ⁴	(37.8)			(20.1)
Proportionate Earnings	178.6			153.0
Asset net debt amortisation	(79.7)			(77.0)
Proportionate Earnings less allowance for net debt amortisation	99.0			76.0

1. Data represents the results of MQA's portfolio of road assets for the 12 months ended 31 December 2010, adjusted for ownership interests and foreign exchange rates for the 12 months ended 31 December 2011.
2. Data represents the results of MQA's portfolio of road assets for the period from 2 February to 31 December 2010, being the period of ownership by MQA following the demerger from MIG.
3. Interest expense for the comparative periods to 31 December 2010 has been adjusted to reflect the cash interest payable relating to the M6 Toll land fund liability.
4. Includes performance fee amounts that were applied towards a subscription for new MQA securities. Refer to 1.2.6 for more details.

On 2 February 2010 MIG effected a group restructure by demerging its interests in APRR, Dulles Greenway, M6 Toll, Chicago Skyway, Indiana Toll Road, Warnow Tunnel, South Bay Expressway, Transtoll and a portion of its cash holdings. Interests in these assets were transferred to two newly incorporated subsidiaries: MARIL and MARL. Consequently, the comparative Actual Results presented above are for the period 2 February to 31 December 2010, reflecting the period of ownership of the portfolio of toll road assets.

Further details on the preparation of this section of the Report are set out in the Summary of Significant Policies (Section 2). Refer to Appendix 1 for a reconciliation of the Proportionate Earnings presented in this section to the loss attributable to MQA security holders in the statutory results. A more detailed analysis of the performance of the individual road assets is included in Section 3.

Figure 2 – Pro forma proportionate revenue from road assets (A\$m), 12 months ended 31 December

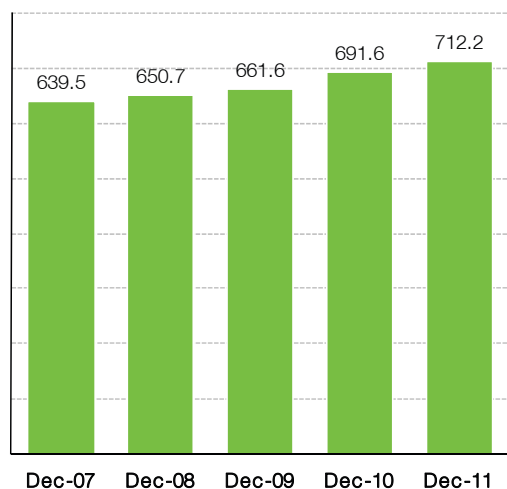
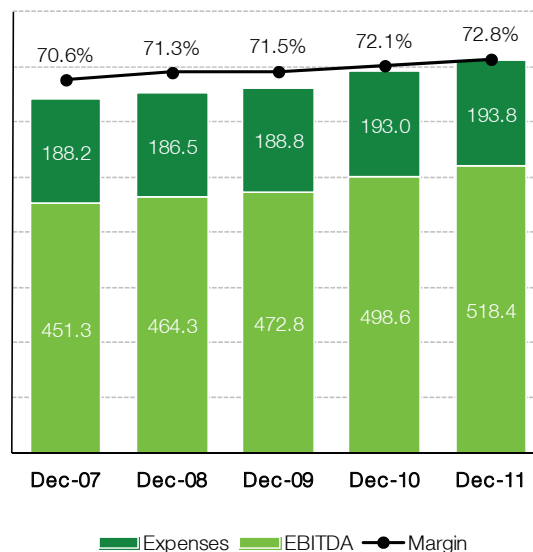


Figure 3 – Pro forma proportionate EBITDA from road assets (A\$m), 12 months ended 31 December



1.2.1 Operating revenue

Underlying operating revenue increased A\$20.6m (3.0%) year to date (YTD) compared to pro forma pcp. This increase in revenue is attributable primarily to the implementation of toll increases across the portfolio. These toll increases represent an effective weighted average toll increase of 3.5% across the portfolio¹. Refer to Section 1.1 for further commentary on traffic and toll revenue performance.

1.2.2 Operating expenses

Underlying operating expenses increased A\$0.8m (0.4%) for the YTD. APRR operating expenses were marginally higher, primarily due to an increase in the regional development tax (TAT) rate charged by the French government. The first and fourth quarters of 2010 suffered heavy snow conditions. The increase in TAT is being recovered through the toll increases effective 1 February 2011 and 1 February 2012.

1.2.3 EBITDA from road assets

Underlying EBITDA from road assets increased 4.0% to A\$518.4m for the YTD. Underlying road assets EBITDA margin increased from 72.1% to 72.8%.

Improvements in operating revenue were partially offset by increased operating expenses.

1.2.4 Asset maintenance capex

Underlying asset maintenance capex increased by 3.4% for the full year. The basis of calculation of maintenance capex is outlined in the Summary of Significant Policies (Section 2) of this Report.

1. Weighted average by 12 months ended 31 December 2010 proportionately consolidated toll revenue.

1.2.5 Asset net interest and tax expense

Underlying net asset interest expense increased A\$3.3m (1.3%) for the full year, primarily as a result of a higher interest expense at Dulles Greenway. This arose from an increase in the quantum of maturing zero coupon accreting bonds in the period. Interest income also increased marginally due to higher cash balances across the majority of the portfolio.

The 2010 acquisition of minority shareholder interests in APRR enabled tax grouping between APRR and asset holding structure entities effective 1 January 2011. Accumulated tax losses and ongoing deductions at the holding structure entities may now be utilised. However, during September 2011, the French corporate tax law was amended to limit the utilisation of brought forward tax losses to a maximum of 60% of net group taxable income in a particular year. This applies from 1 January 2011. As a result, a tax expense of A\$14.6m has been recognised in relation to APRR, being a significant reduction compared to the pcp of A\$58.3m where tax grouping was not available.

1.2.6 Corporate net interest income and expenses

Corporate net interest income was A\$1.0m, down from the A\$3.7m earned during the period from 2 February to 31 December 2010. This is primarily due to a decrease in the cash balance following MQA's participation in the acquisition of a further 13.73% interest in APRR from minority shareholders, where MQA contributed a total of €155.0m funded from its existing cash reserves during 2010.

The cash balance at 31 December 2011 was A\$20.3m. The average cash balance during the period was A\$26.4m compared to an average cash balance of A\$107.3m for the period from 2 February to 31 December 2010. Details on major corporate cash movements are provided in Section 1.5 Cash Flow and Cash Position.

Corporate net expenses increased from A\$20.1m for the period from 2 February to 31 December 2010 to A\$37.8m for the 12 months ended 31 December 2011. Base management fees in the current period totalled A\$14.4m, an increase from A\$10.4m in the prior period. The increase in base management fees reflected an increase in market capitalisation of MQA and a full 12 month period (prior period fees being only for the period 2 February to 31 December 2010). Performance fees recognised during 2010 comprised only the first instalment of the 2010 fee (A\$4.2m), whereas for the 12 months ended 31 December 2011, both the second instalment of the 2010 performance fee (A\$4.2m) and the first instalment of the 2011 performance fee (A\$16.7m) became payable and were recognised. Performance fees are determined based on MQA's security price performance relative to the S&P/ASX 300 Industrials Accumulation Index.

On 1 July 2011, as permitted under the MARL and MARIL management and advisory agreements with Macquarie Fund Advisers Limited (MFA), MFA and MQA independent directors agreed that the Manager and Adviser performance fees of A\$20.9m payable at 30 June 2011 would be applied to a subscription for new MQA securities at a subscription price of \$1.748040 per MQA security.

Corporate net expenses other than base management and performance fees totalled A\$2.5m for the 12 months ended 31 December 2011 compared to A\$5.5m for the period from 2 February to 31 December 2010. In the pcp, transaction fees of approximately A\$2.2m were incurred due to MQA's participation in the acquisition of a further interest in APRR from minority shareholders.

1.2.7 Asset net debt amortisation

Asset net debt amortisation reflects an allocation of earnings to required future debt repayments. As such, it does not form part of earnings. Further details, including the basis of calculation, are outlined in the Summary of Significant Policies (Section 2) of this Report.

1.3 Proportionate Earnings per Security

Table 3 – Proportionate Earnings per Security – Fund

	Actual Results 1 Jan to 31 Dec 11	Actual Results 2 Feb to 31 Dec 10
Weighted average MQA securities on issue	456,400,091	452,345,907
EBITDA per security from road assets (cents)	113.6	113.5
Proportionate Earnings per security from road assets (cents)	47.2	37.5
Proportionate Earnings per security (cents)	39.1	33.8

Proportionate earnings per security do not represent dividends to MQA security holders. As of 31 December 2011, none of MQA's road assets is paying distributions and MQA is not currently paying dividends to its security holders. Successful completion of the refinancing of debt at Eiffarie is an important step in positioning MQA to be able to commence paying dividends to investors in due course.

Proportionate earnings per security differs from the basic loss per MARIL/MARL share metrics presented in the MQA Financial Report, which is prepared in accordance with Australian Accounting Standards. A reconciliation of proportionate earnings used in the above calculation to the statutory results is included in Appendix 1.

1.4 Proportionate Net Debt

Table 4 – Proportionate Net Debt

	Actual as at 31 Dec 11 A\$m	Pro Forma as at 31 Dec 10 A\$m
Road assets net debt	6,380.0	6,384.8

Proportionate net debt decreased during the period primarily as a result of increased cash balances at APRR and Dulles Greenway. The impact, however, was partially offset by capital accretion on the Dulles Greenway bonds and an additional year's accrual (net of payments) in relation to the M6 Toll land fund. Repayment of the land fund liability commenced in 2010.

Proportionate net debt includes MQA's proportion of net debt on all road assets including those which are equity accounted in the statutory results.

1.5 Cash Flow and Cash Position

Table 5 – Aggregated Cash Flow Statement

	1 Jan to 31 Dec 11 A\$m	2 Feb to 31 Dec 10 A\$m
Cash flow received from assets		
M6 Toll	13.7	25.7
Chicago Skyway	-	0.3
Total cash flow received from assets	13.7	26.0
Other operating cash flows		
Interest received on corporate cash balances	1.0	3.8
Other amounts received	0.2	6.4
Payments to suppliers and employees	(2.9)	(3.1)
Manager and Advisor base fees paid	(14.7)	(7.1)
Manager and Advisor performance fees paid (net of reinvestments)	-	(4.2)
Payments on settlement of derivative financial instruments	-	(3.2)
Income taxes (paid)/received	0.2	-
Net MQA operating cash flows	(2.4)	18.6
Investing and financing cash flows		
Payments for purchase of investments (including transaction costs)	(0.3)	(219.2)
Loans repaid by/(extended to) investments and controlled entities	0.1	(0.2)
Distributions paid	-	-
Total investing and financing cash flows	(0.2)	(219.4)
Net increase/(decrease) in cash assets	(2.6)	(200.8)
Cash assets at beginning of the period	23.1	228.1
Exchange rate movements	(0.2)	(4.2)
Cash assets at the end of the period	20.3	23.1
Comprising: Available cash	17.3	19.1
Cash not currently available for use	3.0	4.0

Some of the key differences in cash flow between the 12 months ended 31 December 2011 and the pcpc have been:

- Base manager and adviser fees have increased due to an increase in market capitalisation of MQA. Additionally, pcpc fees were only earned over the period 2 February to 31 December 2010.
- Payments for the purchase of investments in the pcpc reflected MQA's participation in the acquisition of a further interest in APRR from minority shareholders. MQA contributed a total of €155.0m (excluding transaction costs), funded from its existing cash reserves.
- In the prior year, there were two distributions from the M6 Toll compared to only one in the first half of 2011.

Cash assets at the end of the period include cash not currently available for use by MQA of A\$3.0m. These amounts represent secured cash deposits in relation to outstanding guarantees and letters of credit.

These cash balances include the cash flows of each of the stapled entities and their wholly owned subsidiaries, excluding the entities that form part of the road operator company groups. As such, it differs from the cash balances presented in the statutory results that consolidate the cash assets of the wholly owned M6 Toll. Refer to Appendix 1 for a reconciliation of operating cash flows per this Report and the statutory results.

1.6 Pro Forma Available Cash Position

Table 6 – MQA Pro Forma Available Cash Position

	A\$m
Available cash balance as at 31 December 2011	17.3
Less: December 2011 quarter management fees	(3.3)
Add: Interest income and other receipts, net of payments to suppliers	2.1
Pro forma available cash at 29 February 2011	16.1

Since 31 December 2011, the pro forma available cash position has decreased from A\$17.3m to A\$16.1m due primarily to the payment of December 2011 quarter management fees, partially offset by proceeds from the liquidation of Transtoll Pty Limited.

An aerial photograph of a cable-stayed bridge, overlaid with a semi-transparent green filter. The bridge's cables create a strong geometric pattern of lines across the frame. The background shows a landscape with fields and trees.

2. Summary of Significant Policies

2 SUMMARY OF SIGNIFICANT POLICIES

The significant policies which have been adopted by the boards of MARL and MARIL, and used in the preparation of Sections 1 and 3 of this Report, are stated to assist in a general understanding of this Report. Unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

PricewaterhouseCoopers (PwC) has been engaged to perform certain procedures for the directors of MARL and MARIL in relation to their preparation of the primary statements disclosed in Sections 1 and 3 of the Report: Proportionate Earnings (Tables 2, 7 and 8), Proportionate Net Debt (Table 4) and Aggregated Cash Flow Statement (Table 5) on the basis set out below. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by PwC is that of the directors, and these procedures were performed solely to assist the directors of MARL and MARIL in evaluating the accuracy of the disclosures.

PwC conducted its engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC expresses no assurance over the accuracy of the Proportionate Earnings, Proportionate Net Debt, Aggregated Cash Flow Statement, or on any other aspect of the Report.

All information contained in this Report is disclosed in Australian dollars unless stated otherwise.

2.1 Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this Report involves the aggregation of the financial results of the Group's relevant assets in the relevant proportions that the Group holds beneficial ownership interests. It is calculated as operating assets' revenues less operating assets' expenses, maintenance capital expenditure (maintenance capex), net interest expense, net tax expense, plus earnings or expenses at the corporate level including any gain on sale of road assets, corporate net interest income and corporate expenses including management fees.

Proportionate Earnings are disclosed for the current period (Actual Results).

Proportionate Earnings information for the pcp is also disclosed under a pro forma approach. The pro forma information is derived by restating the prior period results with the operating assets ownership percentages and foreign currency exchange rates from the current period (Pro forma Results). Pro forma Results are produced to allow comparisons of the operational performance of road assets between periods, as it removes the impact of changes in ownership interests and foreign currency exchange rates. The term 'underlying' used in Sections 1 and 3 of this Report refers to movements under the pro forma approach.

The principal policies adopted in the preparation of Proportionate Earnings contained in this Report include:

Relevant assets

For an asset to qualify as a relevant asset for inclusion in Proportionate Earnings from road assets, the asset must be a toll road operator (road asset) in which the Group has an ownership interest with a realisable value. The Group's relevant road assets are presented in the table on page 17 of this Report.

MQA owned 50% of the South Bay Expressway (SBX) which filed for bankruptcy in March 2010 by making a voluntary petition for relief under Chapter 11 of the US Bankruptcy code. On 29 April 2011, the Courts approved SBX's corporate reorganisation and MQA no longer has any equity interest in SBX. SBX was not considered a relevant asset as it has been valued at zero since 30 June 2009. Consequently, the results of SBX have been excluded from this Report.

Transtoll was placed into voluntary liquidation on 16 December 2010. The results of Transtoll are excluded from this report.

Foreign exchange rates

All Proportionate Earnings information contained in this Report is disclosed in Australian dollars unless stated otherwise. Actual results are reported at quarterly average foreign currency exchange rates for the respective quarters. Under the pro forma approach, pcp results are restated using quarterly average exchange rates from the current period to remove the impact of changes in foreign currency exchange rates.

Beneficial ownership interest

The beneficial ownership interest for each road asset is calculated according to the number of days in the reporting period during which the Group held a beneficial ownership interest (Beneficial Ownership Interest). Where assets have been sold during the period the Beneficial Ownership Interest is calculated according to the number of days from the beginning of the period up to the date of sale. Where assets have been acquired during the period Beneficial Ownership Interest is calculated according to the number of days from the date of initial acquisition to the end of the period.

The Beneficial Ownership Interests of the Group in the roads used in the calculation of Proportionate Earnings for the 12 months ended 31 December 2011 are as set out below. Beneficial Ownership Interests applied for presentation of the period of 2 February 2010 to 31 December 2010 are also detailed.

Beneficial Ownership Interest for:	1 Jan to 31 Dec 11	2 Feb to 31 Dec 10
Road asset	%	%
APRR ¹	19.1	19.7
Dulles Greenway ²	50.0	50.0
M6 Toll	100.0	100.0
Chicago Skyway	22.5	22.5
Indiana Toll Road	25.0	25.0
Warnow Tunnel	70.0	70.0

1. These interests reflect MQA's weighted average beneficial ownership interest of APRR. As at 31 December 2011, MQA's beneficial ownership interest of APRR was 19.23%.
2. Reflects estimated economic interest.

Operating revenue

Asset revenue is calculated by the aggregation of the product of the Beneficial Ownership Interest and the total revenue of each road asset. Revenue is recognised under the local GAAP applicable to each road asset.

Operating expenses

Asset operating expenses are calculated by the aggregation of the product of the Beneficial Ownership Interest and the total operating expenses incurred by each road asset. Operating expenses are recognised under the local GAAP applicable to each road asset.

Asset maintenance capex

Due to its nature, road asset maintenance expenditure may fluctuate significantly from period to period and therefore this Report does not reflect the actual timing of cash outflows for maintenance capex. Rather, the Proportionate Earnings include a provision for maintenance capex in each period.

The level of maintenance capex required is a function of road usage and therefore traffic volume is the driver for determining the provision charged to each period. The calculation allocates the total forecast future maintenance capex for a particular road over the current and all future periods to the end of the toll concession, on the basis of forecast traffic on that road (i.e. not on a straight line basis).

Asset net interest expense

Asset net interest expense is the aggregation of net interest expense incurred by:

- the operator of the road asset; and
- entities interposed between any of the stapled entities and the operator companies, which have debt that is non-recourse to the Group.

The definition of net interest expense includes all contractual interest expense, borrowing expenses and interest income payable to, or receivable from, third parties during the period. Amounts in respect of shareholder loans or similar agreements are excluded from the definition of net interest expense. Interest and borrowing costs that are capitalised and/or amortised are also excluded from the definition of net interest expense. The amount therefore reflects the cash interest payable/receivable in respect of a particular period. In particular, for zero coupon bonds, interest expense is recorded in the year the bond matures.

Asset net tax expense

Tax expense for the purposes of the calculation of asset net tax expense is that current tax expense determined with reference to the local GAAP applicable to each relevant asset. Where tax expense information is not available for a particular road asset, income tax paid or payable by that asset in the relevant year will be reflected rather than current tax expense. Asset net tax expense is made up of the aggregation of the following components:

- the product of the Beneficial Ownership Interest and the net current tax expense of each road asset, where the operating company does not, in conjunction with any entities that are majority owned by one or a combination of the stapled entities, form part of a consolidated group for tax purposes (Tax Consolidated Group); and
- the product of the Beneficial Ownership Interest in the ultimate holding company in a Tax Consolidated Group and the net current tax expense of the relevant Tax Consolidated Group.

Gain on sale of road assets

As a global investor in toll roads, the Group derives income from the management of its portfolio of road assets which may include the sale of investments. Unless otherwise stated, the gain on sale of road assets is calculated as sales proceeds less the cost of acquisition adjusted for the road assets' Proportionate Earnings recognised in the Management Information Report from acquisition and distributions received from the asset. Gain on sale of road assets is reported net of any transaction costs and tax arising on the capital gain relevant to the transaction.

Corporate net interest income

Corporate net interest income is the aggregation of net interest income incurred/received by:

- any of the stapled entities; and
- entities interposed between any of the stapled entities and the operator companies which have debt that is recourse to the Group, if any.

The definition of net interest income includes all contractual interest expense, borrowing expenses and interest income payable to, or receivable from, third parties except:

- Interest and borrowing expenses or interest income in respect of shareholder loans or similar agreements; and
- Interest and borrowing costs that are capitalised and/or amortised.

Corporate net expenses

Corporate net expenses reflect the aggregation of:

- all expenses paid by the Group, including base management fees and performance fee instalments which became payable in the period;
- the Group's share of expenses from entities interposed between any of the MQA stapled entities and the operator companies not included in the assets' operating expenses; and
- current tax expense at the corporate level.

Net debt amortisation

Reflective of the fact that net debt at each asset must be repaid prior to concession end, a charge is made to amortise the net debt over the concession life. Net debt amortisation as shown does not reflect actual cash debt repayments for the period, rather, it represents a provision for amounts that will be payable at a later date, prior to concession end. The amortisation charge for each period is determined on a pro-rata basis, with EBITDA as the allocation driver. That is, the net debt, less any amortisation and maintenance capex to date, is allocated over current and future periods to the end of the concession on the basis of forecast EBITDA. Maintenance capex to date is deducted from the net balance in order to avoid a double count, on the assumption that funding of maintenance capex increases net debt. Corporate net debt, if any, is not amortised.

2.2 Aggregated Cash Flow Statement

The Aggregated Cash Flow Statement represents the aggregation of the cash flows attributable to security holders. This includes the cash flows of each of the stapled entities and their wholly owned subsidiaries, excluding entities that form part of the road operator company groups. The Aggregated Cash Flow Statement shows all cash received by the Group from its asset portfolio as well as corporate level cash flows. All information in the Aggregated Cash Flow Statement is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions.

2.3 Proportionate Net Debt

Road asset net debt

The net debt of road assets is calculated by the aggregation of:

- The Group's proportionate share of the net debt at each road asset including the land fund liability¹ at the M6 Toll; and
- The Group's proportionate share of the net debt held by entities interposed between any of the stapled entities and its road assets that is non-recourse to the Group.

Net debt is calculated at each road asset by subtracting total cash on hand (including restricted cash holdings) from total debt at the end of the period. Where the profile of a debt instrument is either amortising or accretive, no adjustment is made to the principal balance presented at reporting dates which fall between specified interest capitalisation or debt amortisation dates. Therefore, net debt represents principal amounts inclusive of capitalised interest only unless otherwise stated below. Where interest rate swaps are structured to mirror a series of capital accretion bonds (e.g. Chicago Skyway), a calculation of the notional principal outstanding on these bonds is undertaken. This notional principal is incorporated in net debt consistent with the treatment above.

Where interest rate swaps have been structured to better match the payment of interest with increasing revenue (e.g. M6 Toll and Indiana Toll Road), an effective interest rate for the swap is calculated (representing the fixed rate that would have applied if the swap had no step-up). An interest accrual is included within net debt, reflecting the difference between the cumulative interest charge using this effective interest rate and the fixed payments made to date under the interest rate swap.

1. The land fund liability represents Midland Expressway Limited's (the owner for the M6 Toll) obligation to repay the government for land acquisition costs incurred in developing the M6 Toll. Repayment of the liability commenced in 2010 and the liability will be fully repaid by the end of the concession.

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An aerial photograph of a cable-stayed bridge, overlaid with a semi-transparent green filter. The bridge's cables create a strong geometric pattern of lines across the frame. The background shows a landscape with trees and a road.

3. Asset Performance

3 ASSET PERFORMANCE

Prior corresponding period results presented in this section of the Report are prepared on a pro forma basis unless otherwise stated. Sections 3.2 to 3.6 are reported on a 100% asset basis and in the natural currency of the asset. A detailed asset performance section is not provided for Warnow Tunnel.

Refer to Appendix 3 for a summary of quarterly traffic performance.

3.1 Proportionate Earnings by Asset

Further details on the basis of preparation of Section 3.1 of the Report are set out in the Summary of Significant Policies (Section 2).

Table 7 – Actual Proportionate Earnings for 12 months ended 31 December 2011

	APRR ¹ A\$m	Dulles A\$m	M6 Toll A\$m	Skyway A\$m	ITR A\$m	Warnow A\$m	TOTAL A\$m
Operating revenue	521.3	32.4	90.6	14.6	44.9	8.3	712.2
Operating expenses	(161.4)	(7.2)	(12.1)	(1.9)	(8.4)	(2.7)	(193.8)
EBITDA from road assets	359.9	25.2	78.4	12.7	36.6	5.6	518.4
Asset maintenance capex	(23.0)	(0.8)	(4.2)	(1.5)	(4.5)	(0.6)	(34.6)
Asset net interest expense	(117.5)	(10.4)	(71.4)	(9.2)	(41.7)	(3.7)	(253.9)
Asset net tax expense	(14.6)	-	-	-	-	-	(14.6)
Proportionate Earnings from road assets	204.9	14.0	2.8	2.0	(9.7)	1.4	215.4

1. APRR figures represent a consolidation of APRR, AREA and Eiffarie.

Table 8 – Pro Forma Proportionate Earnings for 12 months ended 31 December 2010¹

	APRR ² A\$m	Dulles A\$m	M6 Toll A\$m	Skyway A\$m	ITR A\$m	Warnow A\$m	TOTAL A\$m
Operating revenue	500.2	31.6	97.3	12.9	42.0	7.6	691.6
Operating expenses	(159.7)	(8.5)	(11.8)	(1.9)	(8.5)	(2.6)	(193.0)
EBITDA from road assets	340.5	23.0	85.5	11.0	33.6	5.0	498.6
Asset maintenance capex	(22.6)	(0.6)	(4.4)	(1.1)	(4.1)	(0.5)	(33.4)
Asset net interest expense	(119.9)	(8.3)	(71.6)	(9.5)	(37.7)	(3.6)	(250.6)
Asset net tax expense	(58.3)	-	-	-	-	-	(58.3)
Proportionate Earnings from road assets	139.7	14.1	9.5	0.4	(8.3)	0.9	156.3

1. Data for 31 December 2010 represents the results of MQA's portfolio of road assets for the 12 months ended 31 December 2010 adjusted for ownership interests and foreign exchange rates for the 12 months ended 31 December 2011.

2. APRR figures represent a consolidation of APRR, AREA and Eiffarie.

3.2 Autoroutes Paris Rhin-Rhône (APRR) – France

3.2.1 Traffic

Table 9 – APRR traffic performance

Category	Full Year		Change vs. pcp
	Jan-Dec 2011	Jan-Dec 2010	
Vehicle kilometres travelled (millions)			
Light vehicles	18,203	17,953	1.4%
Heavy vehicles	3,297	3,203	2.9%
Total	21,500	21,157	1.6%
Workdays in period	253	254	-1
Non workdays in period	112	111	+1

In the 12 months ended 31 December 2011, total traffic (VKT) increased by 1.6% on pcp, with growth in both light and heavy vehicles. Light vehicle traffic grew by 1.4% while heavy vehicles volumes increased by 2.9%.

Figures 4 and 5 below depict light and heavy vehicle traffic performance during each quarter of 2011 compared to 2010.

Light vehicle traffic in the first and fourth quarters of 2010 was negatively impacted by heavy snow while traffic for the second quarter of 2010 benefited from air disruptions arising from the volcanic ash cloud, rail strikes and excellent snow conditions in ski resorts.

After the sharp recovery observed in the first half, heavy vehicle traffic started to weaken, consistent with deteriorating economic conditions. In addition, the fourth quarter of 2010 saw a boost to heavy vehicle performance from a rerouting of traffic onto motorways due to heavy snowfalls.

Figure 4 – 2011 LV traffic growth on 2010

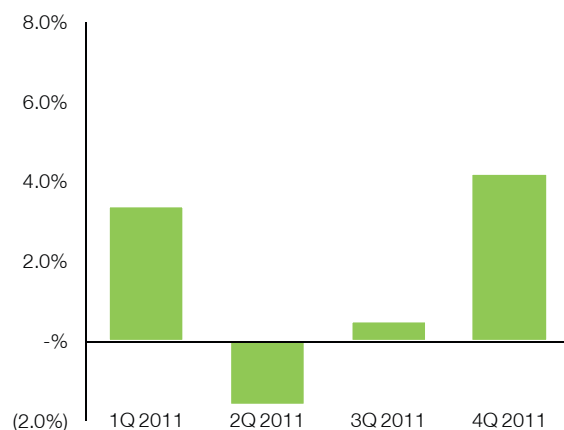
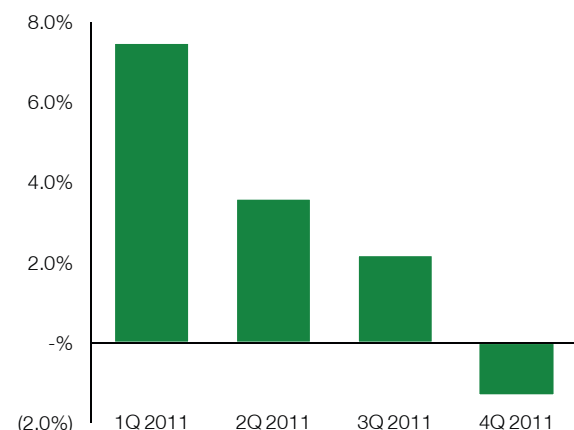
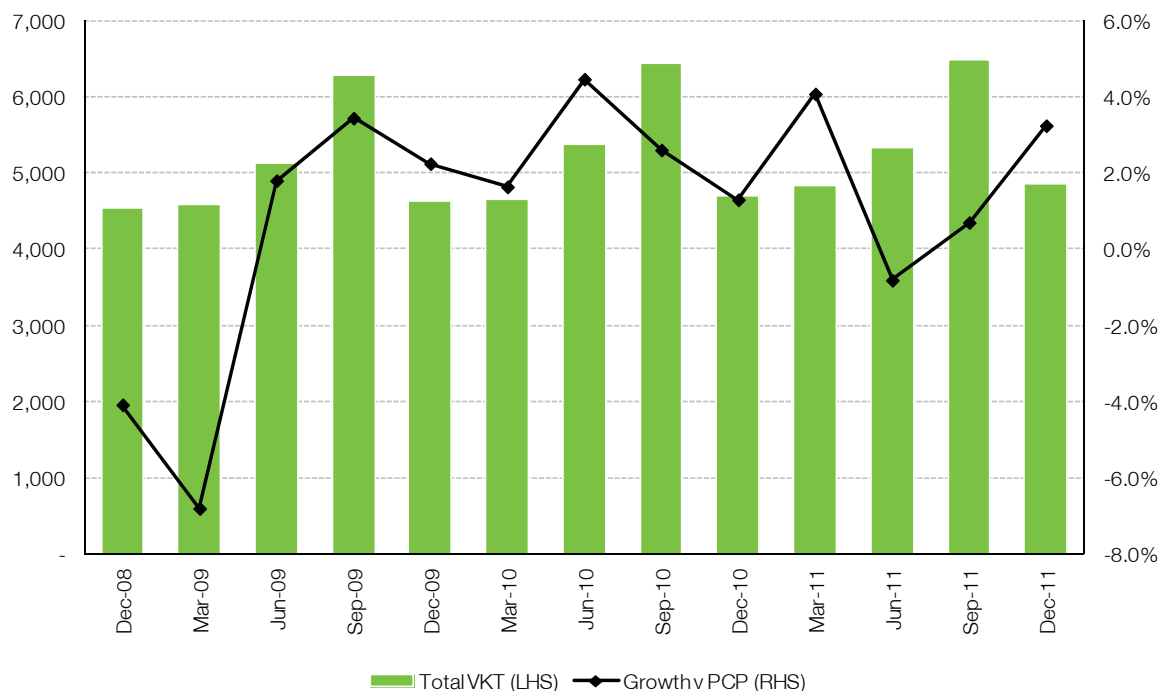


Figure 5 – 2011 HV traffic growth on 2010



3.2.2 Traffic (continued)

Figure 6 – APRR quarterly traffic performance (VKT)



3.2.3 Financial performance

Consolidated revenues totalled €2,021.6m for the 12 months ended 31 December 2011, up 4.2% from the pcp. This was primarily driven by toll revenues, which were 4.2% up on last year driven by a higher proportion of heavy vehicles in the traffic mix and a tariff increase in February 2011 (which included an additional increase to partially recover an increase in regional development taxes (TAT)).

Operating expenses increased by 1.1% from €619.2m in the 12 months ended 31 December 2010 to €626.0m in the 12 months ended 31 December 2011. This was mainly driven by a 10% increase in taxes and duties paid during 2011 related to TAT and territorial economic contributions (CET). Charges related to these taxes grew as a consequence of higher rates, traffic and revenue. Operating expenses in 2010 also reflected above average maintenance costs due to heavy snow conditions at the start and end of the year. Excluding taxes, duties and one-off costs, operating expenses remained stable from 2010.

Figure 7 – APRR revenue (€m), 12 months ended 31 December

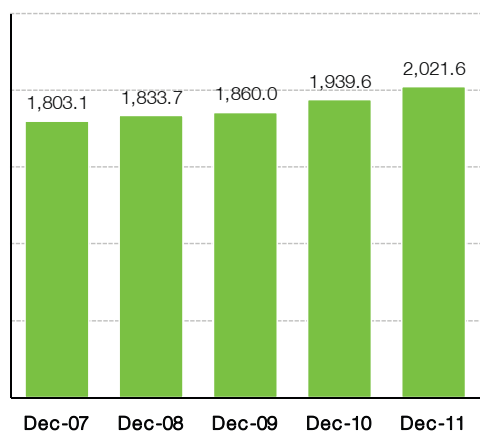
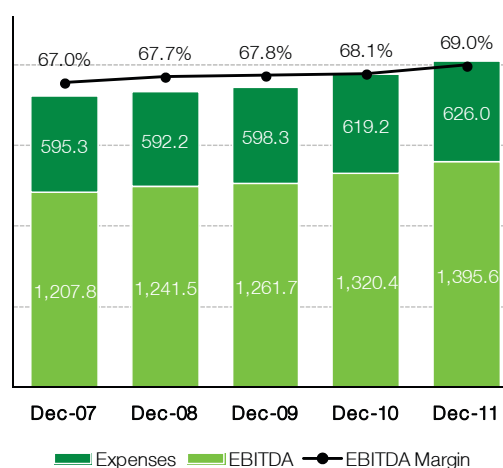


Figure 8 – APRR/Eiffarie EBITDA (€m)¹, 12 months ended 31 December



1. The above results in Figure 8 include 100% of the consolidated results of APRR, AREA and Eiffarie. Eiffarie is the holding company for the consortium's interest in APRR. EBITDA of APRR and AREA consolidated was €1,398.6m and operating expenses of Eiffarie were €3.0m for 12 months ended 31 December 2011. Eiffarie operating expenses includes advisory and transaction costs.

3.2.4 Operational initiatives

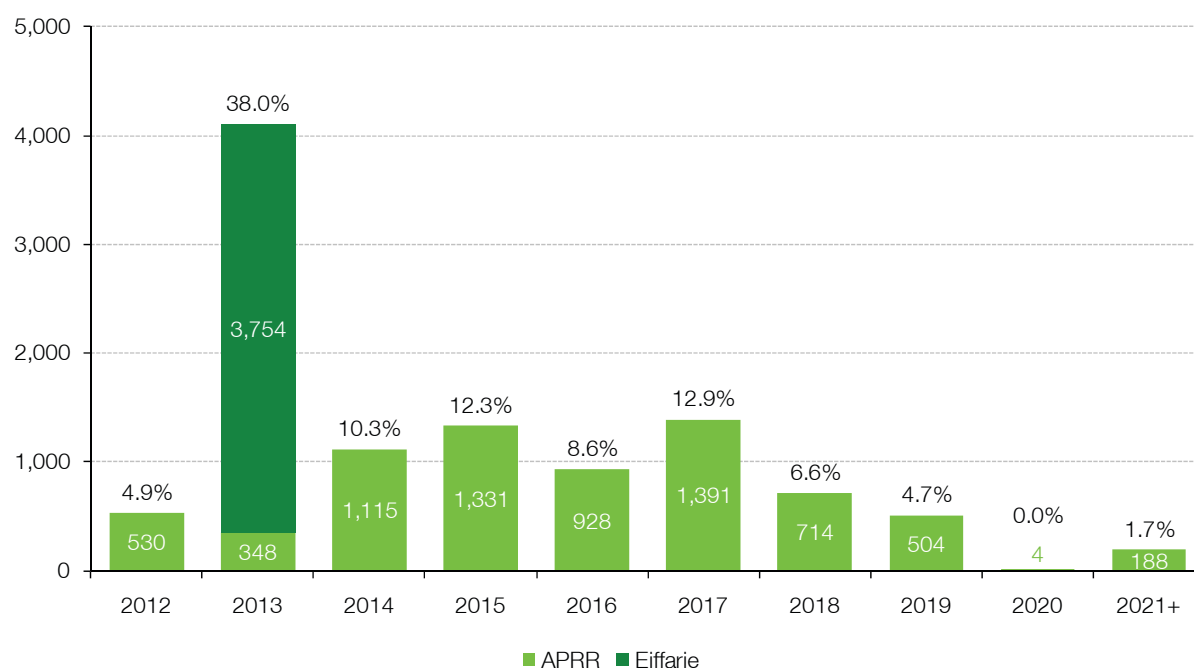
The number of active Liber-t badges managed by APRR/AREA increased by approximately 19% over the last 12 months, with around 1,063,000 badges now in circulation.

Electronic toll collection accounted for 47.0% of all transactions in the year ended 31 December 2011 compared with 44.6% in 2010.

Automated transactions accounted for 84.8% of total transactions compared with 77.5% in pcp, and 132 of the network's 150 toll plazas are now totally or partially automated.

3.2.5 Financing and Debt

Figure 9 – APRR/Eiffarie debt maturity profile at 31 December 2011 (€m)



APRR issued the following tranches of bonds under its Euro Medium Term Note (EMTN) program during 2011:

- €1,000m bonds in January 2011: The 5.0% 6-year bonds were issued at €99.484, representing a margin of 245bp over mid-rate swaps.
- €50m index-linked bonds in January 2011: The 3.3% 10-year bonds were issued via a private placement.
- €500m bonds in May 2011: The bonds were issued with a coupon of 4.875% and a maturity of January 2019. They were priced at €99.74, representing a margin of 170bp over mid-rate swaps.
- €500m bonds in November 2011: The 4.375% 4+ year bonds were issued at €99.647, representing a margin of 270bp over mid-rate swaps.

APRR has also issued €500m bonds on 12 January 2012 under its EMTN program. The bonds were issued with a coupon of 5.125% and a maturity of January 2018. They were priced at €99.622, representing a margin of 340bp over mid-rate swaps. This bond issue is not included in the above debt maturities, which are reflective of the position at 31 December 2011.

Effective 20 February 2012, Eiffarie entered into new financing facilities which, together with group cash available, will reduce Eiffarie's external borrowings to €2.765bn and extend their maturity to February 2017.

3.3 Dulles Greenway – Virginia, US

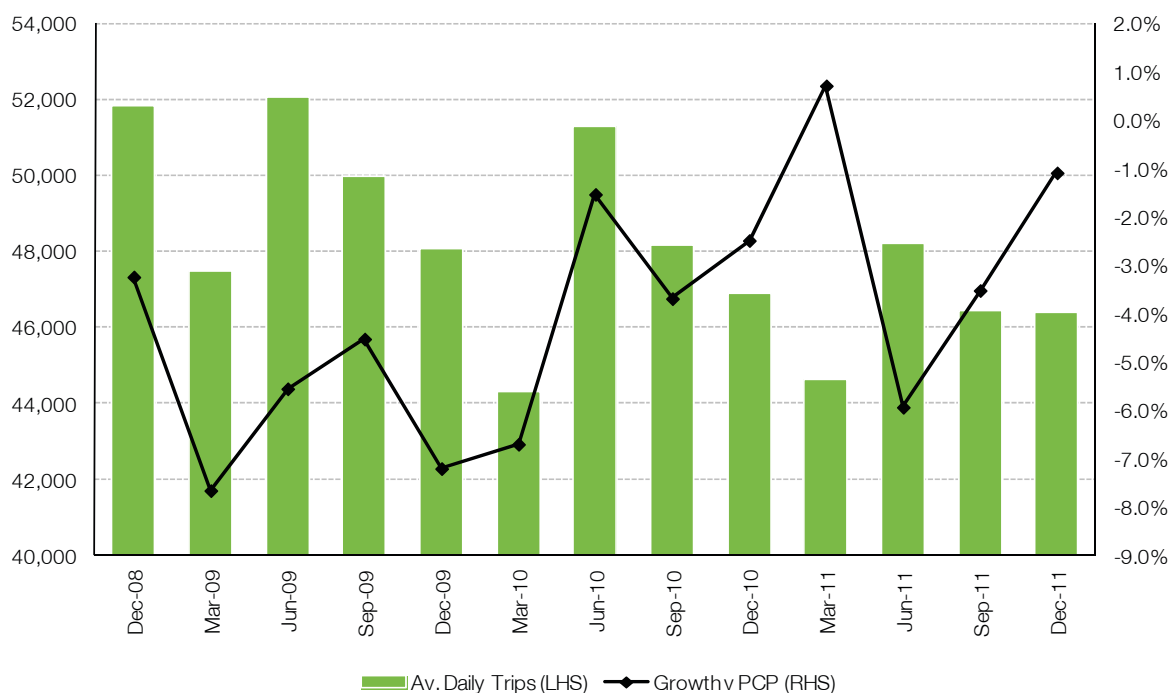
3.3.1 Traffic

Table 10 – Dulles Greenway traffic performance

Category	Full Year		Change vs. pcp
	Jan-Dec 2011	Jan-Dec 2010	
Average daily traffic			
Average workday trips	54,370	55,698	(2.4%)
Weekends/public holidays	29,159	29,972	(2.7%)
All days	46,427	47,663	(2.6%)
Non-cash transactions	89.6%	87.8%	1.8%
Workdays in period	250	251	-1
Non workdays in period	115	114	+1

Average Daily Traffic (ADT) on the Dulles Greenway for the year decreased by 2.6% versus a decline of 3.5% in 2010. This was due to weaker traffic conditions across the corridor generally, higher fuel prices and the impact of toll increases on the Greenway and the connecting Dulles Toll Road (DTR). Traffic volumes on the adjoining DTR fell by 3.0% for the 12 months ended 31 December 2011.

Figure 10 – Dulles Greenway quarterly traffic performance



3.3.2 Financial performance

Figure 11 – Dulles Greenway revenue (US\$m), 12 months ended 31 December

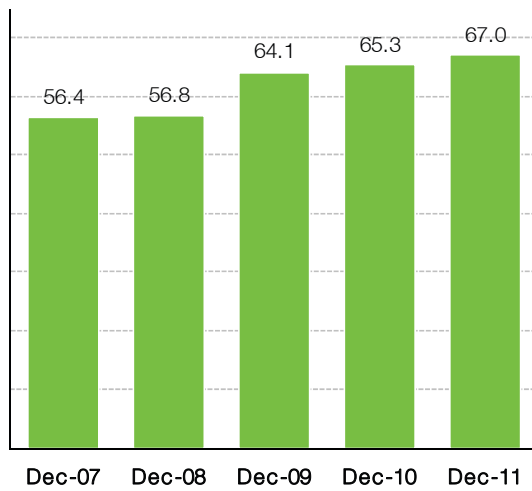
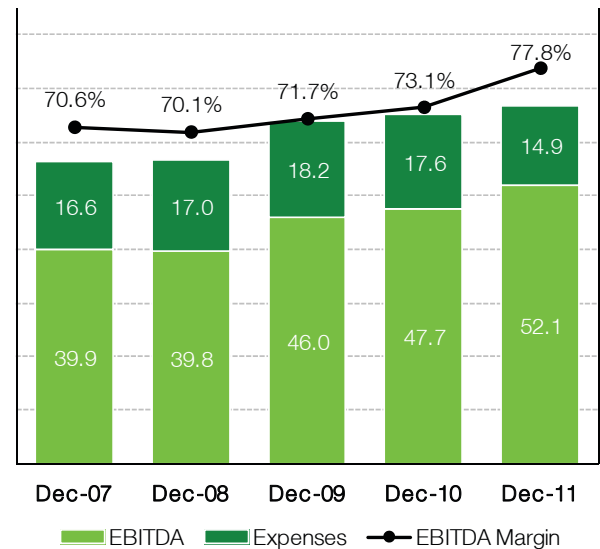


Figure 12 – Dulles Greenway EBITDA (US\$m), 12 months ended 31 December



Revenue for the 12 months ended 31 December 2011 increased 2.6% compared to pcp, reflecting the impact of the revised tolling schedule in place since 1 July 2010.

EBITDA for the period increased by 9.2% largely driven by a decrease of US\$2.7m in operating expenses compared to the pcp. This reflects the operating efficiencies achieved from self performing operations and maintenance (O&M) since 6 May 2010. TRIP II recognised a non-recurring expense of \$2.0m for settlement fees in the third quarter of 2011 related to internalising O&M activity, this expense did not impact EBITDA. In addition, the operating expenses for the 12 months ended 31 December 2011 included non-recurring legal expenses of US\$0.7m related to this settlement. Excluding these one-off legal expenses for the 12 months ended 31 December 2011, operating costs would have been US\$14.2m, EBITDA for the period would have been US\$52.8m and the EBITDA margin would have been 78.8%.

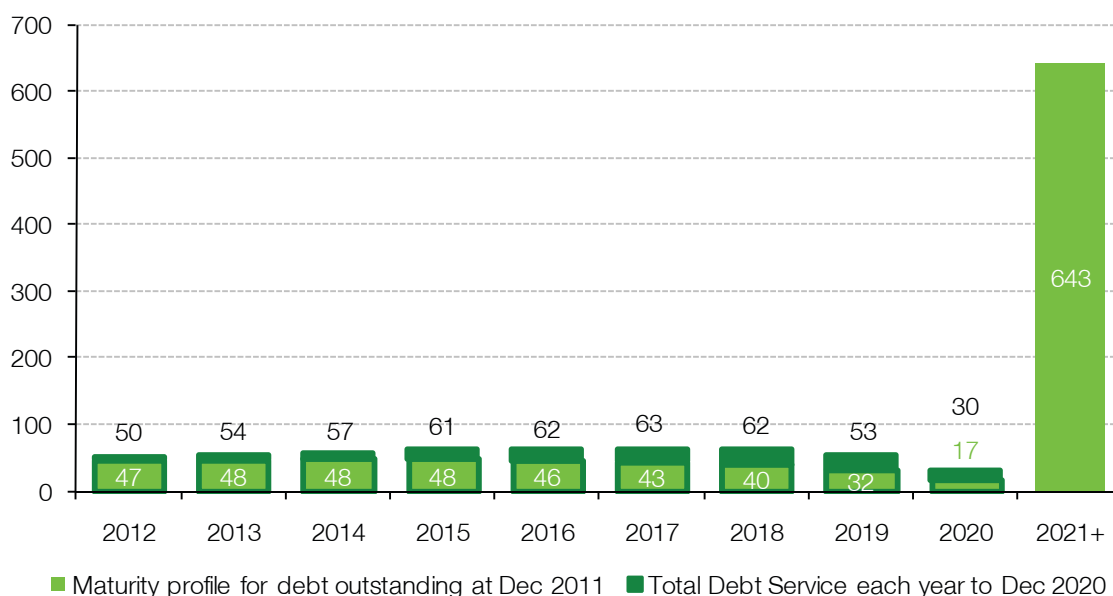
3.3.3 Operational initiatives

TRIP II continues to assess opportunities to improve O&M performance. Initiatives continuing from last year through to calendar year 2011 included:

- continued improvement in all maintenance and toll collection procedures;
- implementation of new procedures for reduction of unpaid tolls and toll violations; and
- upgrading toll equipment and modifying software for efficiency.

3.3.4 Financing and debt

Figure 13 – Dulles Greenway debt maturity profile at 31 December 2011(US\$m)



The chart above presents the maturity profile for the debt outstanding at 31 December 2011 as well as total debt service to be paid in any given year to December 2020 (total debt service). All of Greenway's debt is in the form of fixed-interest rate senior bonds, with US\$35.0m in the form of current interest bonds and US\$977.2m in the form of zero-coupon bonds with various maturities extending to 2056.

The Dulles Greenway did not meet its DSCR distribution tests at 31 December 2011 and consequently is in distribution lock-up under its senior debt indentures through to at least 31 December 2012. Greenway continues to operate on a positive cash flow basis and is well capitalised, with more than US\$160.6m of cash as at 31 December 2011. In 2011, the DSCR and ADSCR were 1.17x. Refer to Section 4.5 for distribution test calculation methodologies.

The TRIP II Trustee has authorised the use of locked-up cash to repurchase outstanding TRIP II bonds. This will enhance the longer term return on accumulated cash. As of 31 December 2011, TRIP II had used US\$19.5 million of locked-up cash to repurchase bonds due to mature in 2019 and 2020. As at the date of issuing this report, a further US\$14.9m had been used to repurchase bonds due to mature in 2018 and 2021. The average yield to maturity of the bonds repurchased to date is 7.8%.

Ratings review

Dulles Greenway's bonds are credit wrapped by National Public Finance Guarantee Corporation (NPFGC) (formerly MBIA). S&P, Moody's and Fitch provide an underlying rating of TRIP II, the bond issuer. Moody's Investors Service downgraded the underlying rating on TRIP II from Baa3 to Ba1 in June 2011 with a negative outlook. There are no adverse consequences for the asset from this downgrade as the current bond structure extends to the end of TRIP II's concession term and is not subject to refinancing risk. Fitch continues to hold TRIP II at BBB-. S&P continues to hold a BBB- underlying rating on TRIP II's project revenue bonds with a stable outlook.

Dulles Greenway Distribution tests worked example

	2011 Actual US\$	2010 Actual US\$
Toll Revenues	66,632,200	64,949,711
Operating Expenses	(14,876,592)	17,587,875
Net Toll Revenues (Minimum Coverage Ratio)	51,755,608	47,361,836
Improvement Fund Deposit	-	-
Increase Operating Reserve Fund	-	(685,082)
Net Toll Revenues (Additional Coverage Ratio)	51,755,608	46,676,754
1999A	2,493,750	2,493,750
1999B	26,600,000	25,100,000
2005A	15,300,000	7,200,000
2005B/2005C	-	-
Total Debt Service¹	44,393,750	34,793,750
Minimum Coverage Ratio – 1.25x	1.17x	1.36x
Additional Coverage Ratio – 1.15x	1.17x	1.34x

1. Debt Service = the sum of (a) Debt Service on all Series 1999 Bonds outstanding for such Fiscal Year, (b) Debt Service on all Series 2005 Bonds outstanding for such Fiscal Year and (c) scheduled early redemption amounts for such Fiscal Year as set forth in the Early Redemption Schedule for the 2005 Bonds.

3.4 M6 Toll – West Midlands, UK

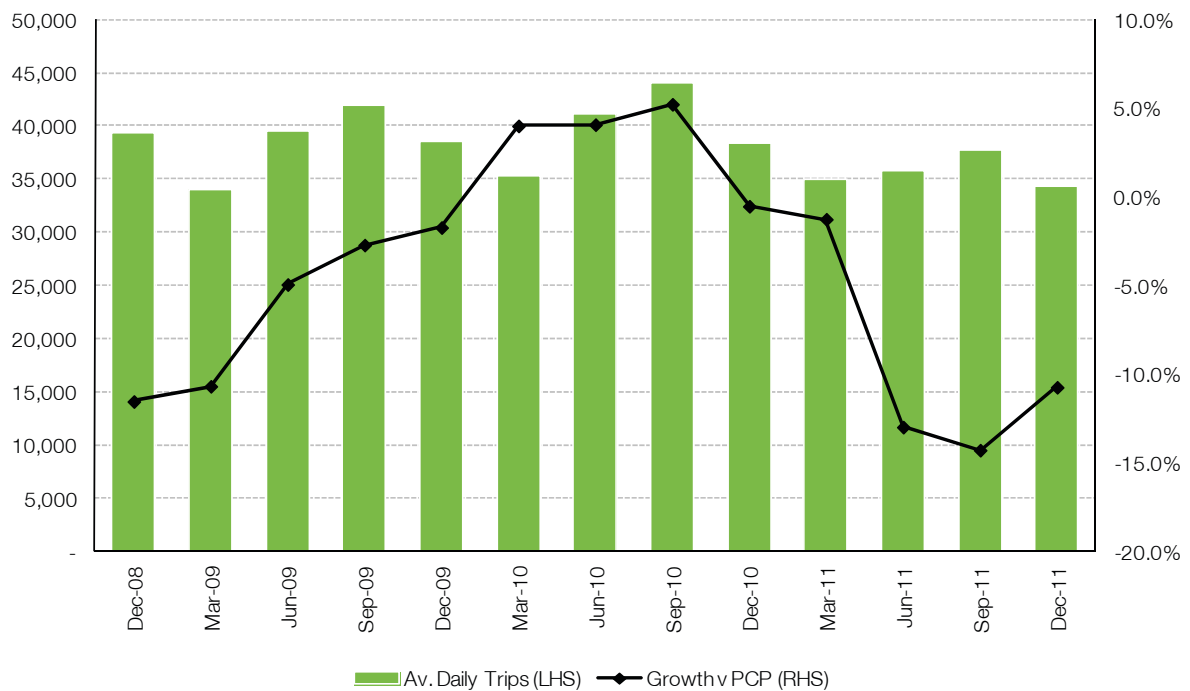
3.4.1 Traffic

Table 11 – M6 Toll traffic performance

Category	Full Year		Change vs. pcp
	Jan-Dec 2011	Jan-Dec 2010	
Average daily traffic			
Average workday trips	40,434	44,409	(9.0%)
Weekends/public holidays	25,326	29,326	(13.6%)
All days	35,715	39,781	(10.2%)
Non-cash transactions	66.6%	60.6%	6.0%
Workdays in period	251	253	-2
Non workdays in period	114	112	+2

Traffic levels have been impacted by weak economic conditions in the UK as well as the implementation of Active Traffic Management (hard shoulder running) on the competing section of the M6, increasing its capacity. These factors have led to a reduction in average daily traffic figures, with a 10.2% fall versus pcp for the year. Further works relating to the Active Traffic Management scheme on the competing section of the M6 are due to commence in April 2012.

Figure 14 – M6 Toll quarterly traffic performance



3.4.2 Financial performance

Figure 15 – M6 Toll revenue (£m), 12 months ended 31 December

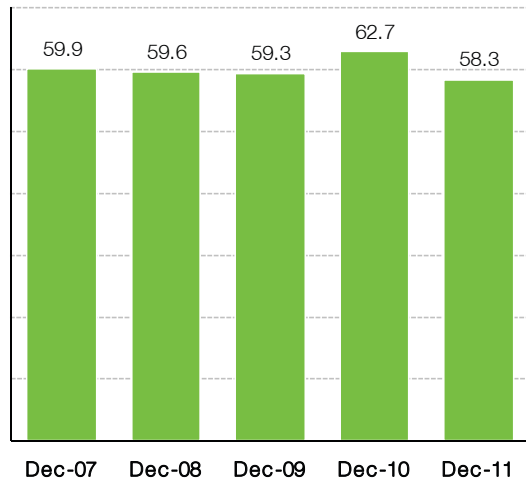
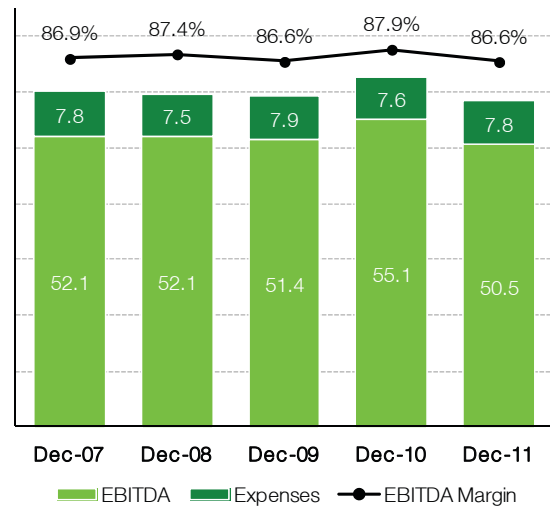


Figure 16 – M6 Toll EBITDA (£m), 12 months ended 31 December



The toll increases implemented in March 2011 partly offset the impact of the fall in traffic levels resulting in a 7.0% decrease in revenue. Operating costs in the period increased by 2.5% due to increases in staff costs and a timing difference in highway maintenance works in the first half of the year. As a result, EBITDA fell by 8.3% compared with 2010.

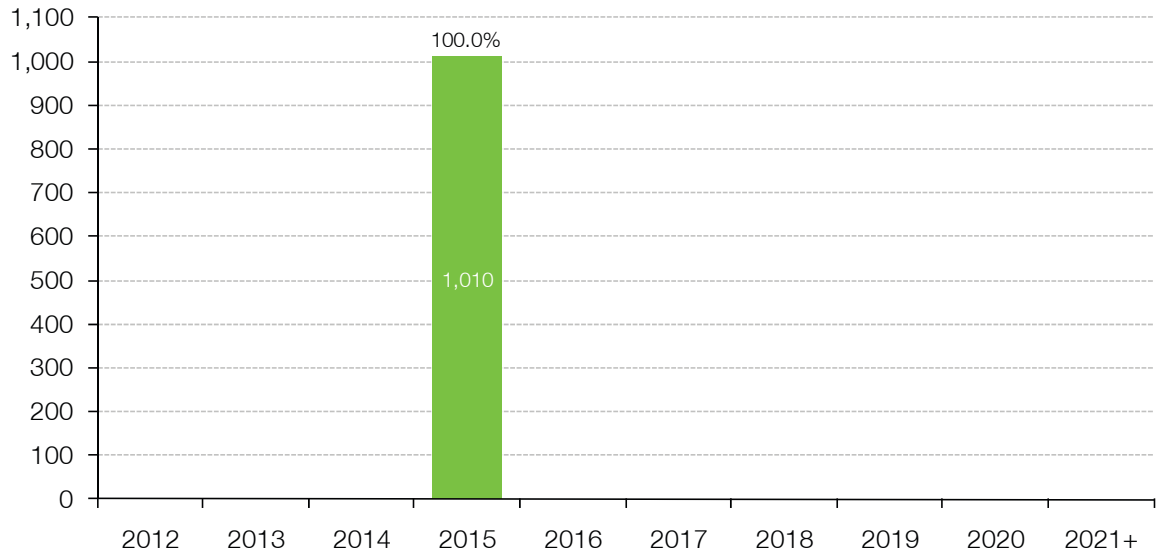
3.4.3 Operational initiatives

Overall tag usage in the 12 months ended 31 December 2011 was slightly higher than 2010 (11.2%), at 11.6% of total transactions. For the same period, non-cash transactions represented 66.6% of total transactions, with credit and debit cards being the most common method of payment. The reduction in manual toll collection and automatic coin machine usage improves efficiency and throughput at the plazas. M6 Toll is currently testing the infrastructure required to enable the use of contactless cards for payment at toll plazas. The system is expected to be fully operational by around Easter 2012.

In April 2011, M6 Toll introduced dedicated “green lanes” for tag users which are aimed at ensuring a higher level of service for regular customers and encouraging drivers to switch to a tag. These have been well-received. In addition, several initiatives have been put in place to promote the use of tags and to increase sales. These include increasing availability through new outlets selling tags and redeveloping the e-commerce facilities on the M6 Toll website.

3.4.4 Financing and debt

Figure 17 – M6 Toll debt maturity profile at 31 December 2011 (£m)



Debt facilities are not due to mature until August 2015, however a cash sweep of 40% commenced in August 2011 and will escalate to 100% by August 2014. As at 31 December 2011, total drawn debt is £1,010m. This excludes the land fund balance of £168m and the mark-to-market valuation of the swap of £628m (which includes an embedded liability of approximately £165m).

3.5 Chicago Skyway – Chicago, US

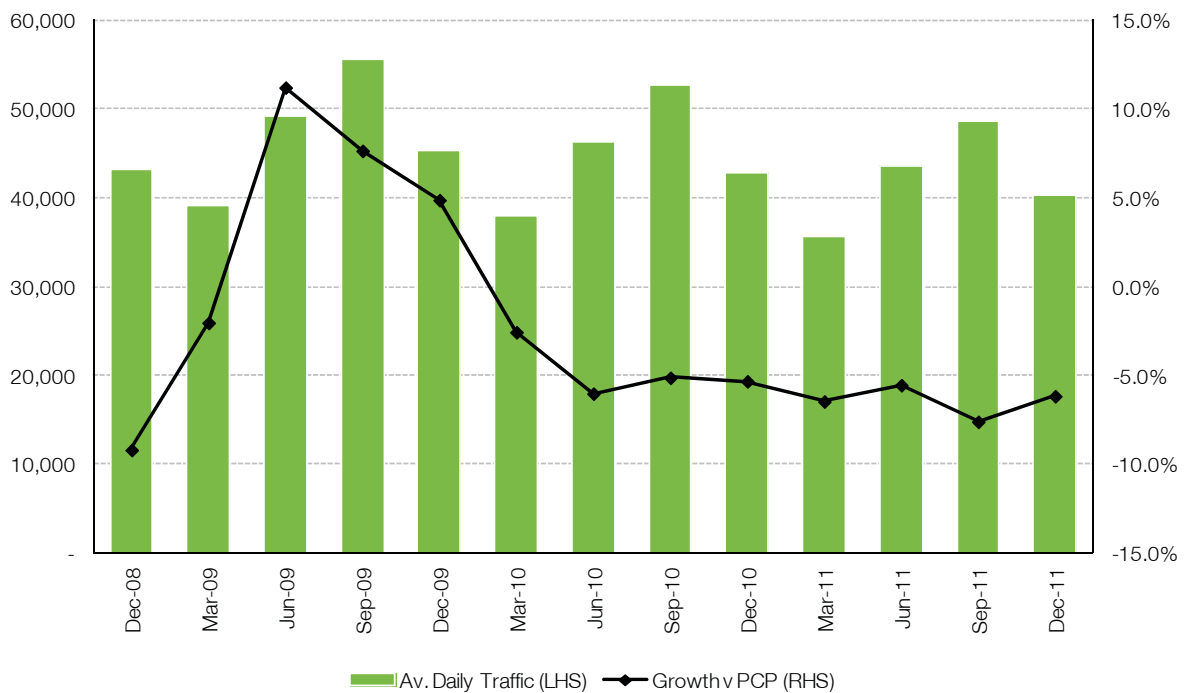
3.5.1 Traffic

Table 12 – Chicago Skyway traffic performance

Category	Full Year		Change vs. pcp
	Jan-Dec 2011	Jan-Dec 2010	
Average daily traffic			
Average workday trips	40,647	43,476	(6.5%)
Weekends/public holidays	45,152	48,312	(6.5%)
All days	42,066	44,987	(6.5%)
Non-cash transactions	60.3%	57.6%	2.7%
Workdays in period	250	251	-1
Non workdays in period	115	114	+1

Average daily traffic for the 12 months ended 31 December 2011 was 6.5% below pcp. Traffic was negatively impacted by Skyway toll increases on 1 January 2011 of approximately 17% for light vehicles and 33% for heavy vehicles as well as by ongoing weak economic conditions, higher fuel prices and ongoing construction works on the adjoining ITR barrier system.

Figure 18 – Chicago Skyway quarterly traffic performance



3.5.2 Financial performance

Figure 19 – Chicago Skyway revenue (US\$m), 12 months ended 31 December

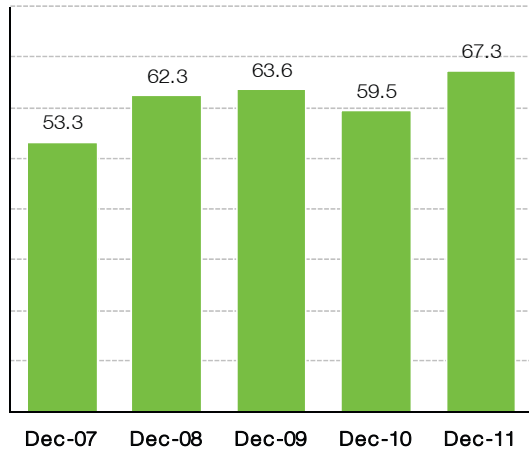
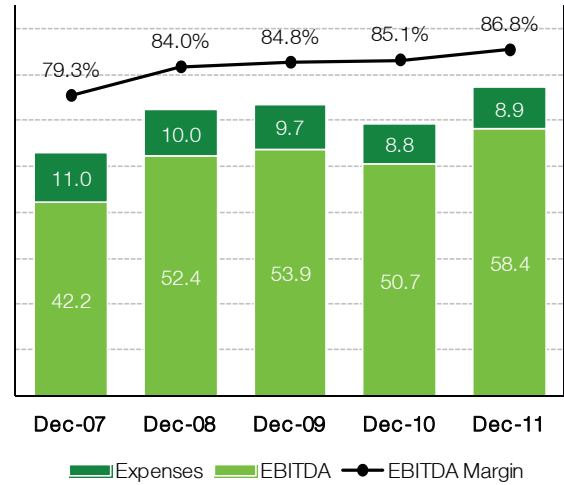


Figure 20 – Chicago Skyway EBITDA (US\$m), 12 months ended 31 December



Revenue for the 12 months ended 31 December 2011 increased 13.1% compared to pcp, as a result of the new toll schedule introduced on 1 January 2011, partially offset by traffic declines. Chicago Skyway increased tolls from US\$3.00 to US\$3.50 for light vehicles and US\$1.80 per axle to US\$2.40 per axle for heavy vehicles. Skyway has a set tolling schedule in place until 2017, with tolls post 2017 permitted to increase annually by the greater of CPI, nominal GDP per capita or 2%.

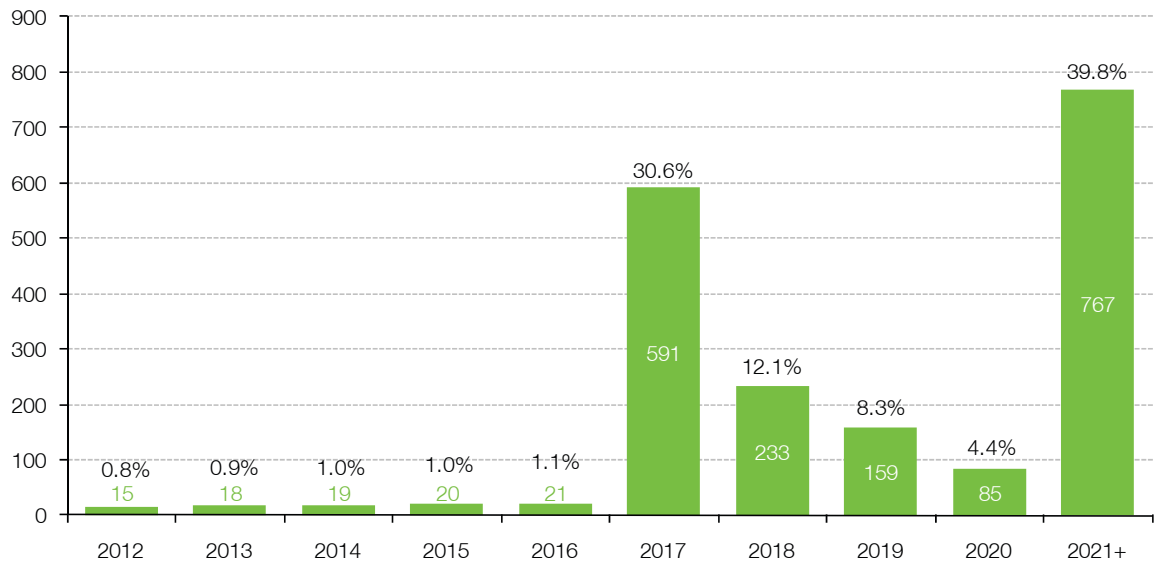
Operating expenses for the 12 months ended 31 December 2011 remained consistent with pcp, while EBITDA increased by US\$7.7m and the EBITDA margin improved by 1.7% compared to pcp.

3.5.3 Operational initiatives

Management continues to promote ETC transponder use. Non-cash transactions for the quarter ended 31 December 2011 were 62.0% compared to 58.8% in 2010. ETC penetration improves customer retention, payment reliability and reduces overall operating costs.

3.5.4 Financing and debt

Figure 21 – Chicago Skyway debt maturity profile at 31 December 2011 (US\$m)



The chart above presents the maturity profile for all Skyway debt outstanding as at 31 December 2011 (i.e. excluding future capitalised interest on Capital Accretion Bonds). Skyway had US\$1.9bn of senior debt outstanding as at 31 December 2011 with US\$1.3bn in the form of Capital Accretion Bonds and US\$439.0m Current Interest Bonds, as well as US\$168.5m subordinated debt.

Skyway Concession Company LLC (SCC) is in distribution lock-up as SCC did not meet its senior debt equity distribution test in December 2011.

3.6 Indiana Toll Road (ITR) – Indiana, US

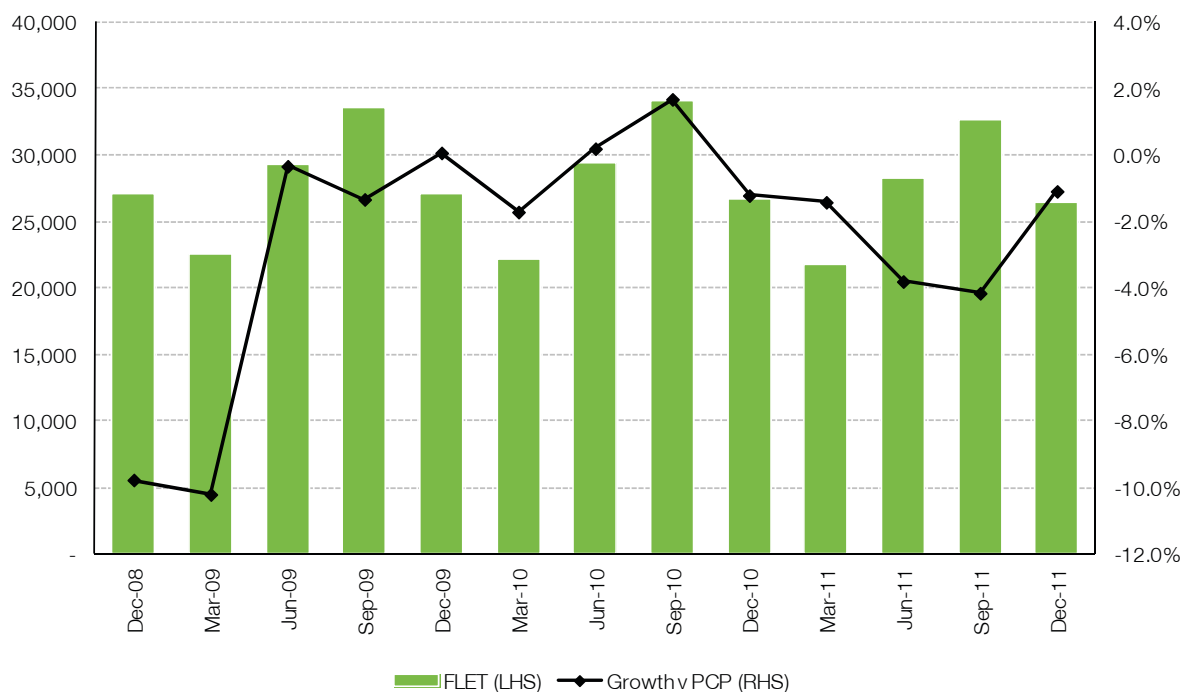
3.6.1 Traffic

Table 13 – ITR traffic performance

Category	Full Year		Change vs. pcp
	Jan-Dec 2011	Jan-Dec 2010	
Average daily traffic			
Ticket (FLET)	23,649	24,041	(1.6%)
Barrier (FLET)	47,604	50,573	(5.9%)
Non-cash – ticket (ADT)	66.4%	62.2%	4.2%
Non-cash – barrier (transactions)	68.3%	65.2%	3.0%
Workdays in period	250	251	-1
Non workdays in period	115	114	+1

Average daily traffic on the ITR for the 12 months ended 31 December 2011, measured in full length equivalent trips (FLET), decreased 1.6% on the ticket system and 5.9% on the barrier system compared to pcp. ITR traffic volumes continue to be impacted by ongoing weak economic conditions, the Skyway toll increases introduced in January 2011, higher fuel prices, construction on the ITR barrier system and the end of construction on competing routes.

Figure 22 – Indiana Toll Road quarterly traffic performance (total trips)



3.6.2 Financial performance

Figure 23 – ITR revenue (US\$m), 12 months ended 31 December

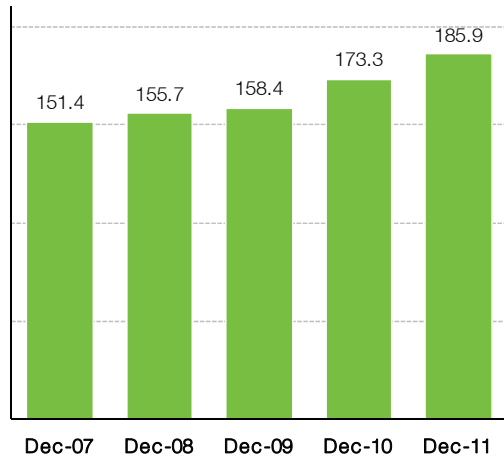
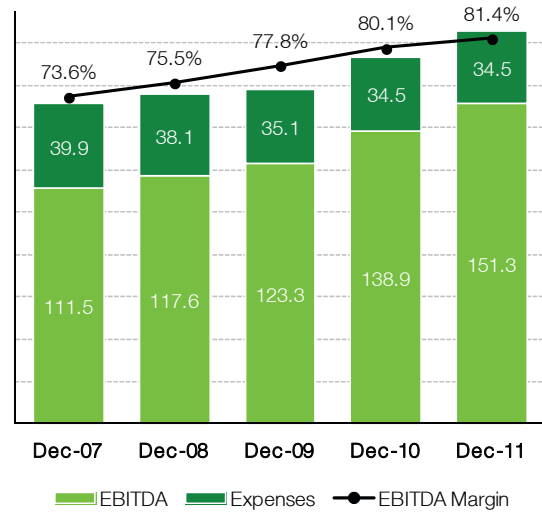


Figure 24 – ITR EBITDA (US\$m), 12 months ended 31 December



Revenue for the 12 months ended 31 December 2011 increased by US\$12.6m (or 7.2%) to US\$185.9m, relative to pcp, driven by slightly higher heavy vehicle traffic on the ticket system and the toll increase for all vehicles implemented in July 2011. Operating expenses for 2011 were in-line with pcp. A state subsidised “toll freeze” is currently scheduled to remain in place for passenger vehicles using ETC until 2016. During this period, the State of Indiana will reimburse ITR for the difference between the actual toll paid by each ETC passenger vehicle and the higher toll applicable to cash users.

3.6.3 Operational initiatives

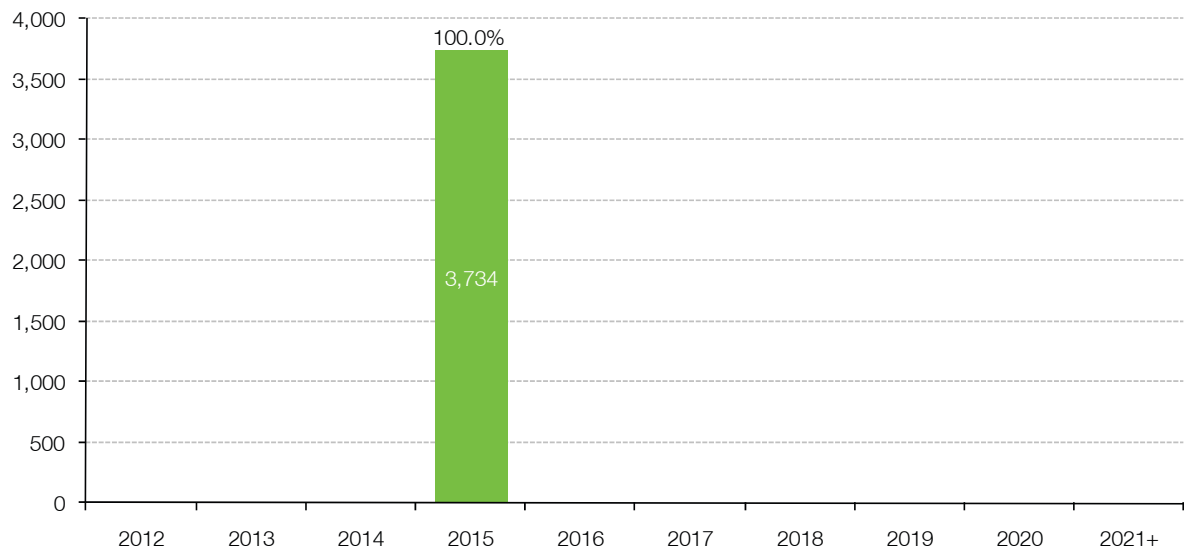
Transponder usage continues to increase as ITR promotes the benefits of using ETC, which include lower tolls and travel time savings. ETC transactions accounted for 68.3% of total barrier transactions in the year ended 31 December 2011 compared to 65.2% in the prior year. ETC transactions accounted for 66.4% of total ticket transactions in the same period, an increase from 62.2% in the pcp.

ITR’s Customer Care Centre has issued over 31,000 i-Zoom transponders during 2011 (2010: 40,000). At 31 December 2011, ITR had issued over 165,000 transponders (2010: 135,000).

The Mandatory Expansion Works (MEW) reached substantial completion on 13 December 2011. The MEW added lanes to the western portion of the ITR, thereby increasing the appeal of the Skyway/Barrier system.

3.6.4 Financing and debt

Figure 25 – Indiana Toll Road debt maturity profile (US\$m)



The chart above presents the maturity profile for all ITR debt outstanding as at 31 December 2011. ITR also has an interest rate step-up swap in place that matures in 2026. The maturity profile excludes the mark to market value on the swap of US\$2,296.8m as at 31 December 2011 (which includes an estimated embedded loan of US\$438.9m).

An aerial photograph of a cable-stayed bridge and a highway interchange, overlaid with a semi-transparent green filter. The bridge's cables create a strong geometric pattern across the top half of the image. The highway below shows multiple lanes and a curved interchange. The background consists of rolling green hills and a dense forest.

4. Asset Debt Information

4 ASSET DEBT INFORMATION

4.1 Asset Debt Metrics

Table 14 – Asset Debt Metrics¹

Assets	Currency	Net Debt (Local m)	Net Debt/ EBITDA (x)	EBITDA/ Interest (x)	DSCR (x)	Lock-up (x)	2011 Hedging (%)
APRR/Eiffarie ²	€	9,841.2	7.06x	3.85x	2.57x	1.25x	92.3%
Dulles Greenway ³	US\$	851.5	16.35x	2.41x	1.17x	1.25x	100.0%
M6 Toll ⁴	£	1,319.5	26.11x	1.10x	1.36x	1.40x	99.0%
Chicago Skyway ⁵	US\$	1,843.5	31.56x	1.40x	1.54x	1.60x	91.0%
ITR ⁶	US\$	4,150.8	27.43x	0.88x	1.01x	1.15x	98.9%
Warnow Tunnel	€	165.7	27.23x	1.56x	2.17x	1.05x	30.8%

- Using net debt balances as at 31 December 2011; EBITDA and interest for the 12 months to 31 December 2011; DSCRs calculated on a pro forma basis as at 31 December 2011, the values do not necessarily correspond to a calculation date under the relevant debt documents.
- Net debt includes 100% net debt at APRR + 100% net debt at Eiffarie; Eiffarie net debt excludes swaps mark to market of €511m; calculations as per debt documents.
- The Dulles Greenway DSCR (Net Toll Revenues/Total Debt Service) excludes interest income from "Net Toll Revenues" and includes both principal and interest on outstanding bonds payable in "Total Debt Service" as per the bond indenture.
- M6 Toll net debt includes land fund and swap liability; the 2011 hedging percentage excludes land fund. Interest includes senior debt interest and fees, swap payments, land fund payments and swap cash sweep payments. If land fund payments and swap cash sweep payments were excluded from the EBITDA/Interest calculation, the ratio would be 1.67x.
- The EBITDA/Interest for Chicago Skyway includes only senior debt service. Interest includes Assured Guaranty Municipal Corp (AGM) (previously FSA) premium.
- ITR debt balance is inclusive of embedded accretion in the step-up swap. ITR has a liquidity facility in place to fund debt service while cash flows are ramping up. If required, the liquidity facility can be drawn at the end of each six month period by an amount necessary so that actual DSCR is brought up to 1.0x.

4.2 Debt Ratings of Assets

Table 15 – Debt Ratings of Assets

Asset	Rating	Rating Agency	Rating since
APRR ¹	BBB-	Standard and Poors	June 2009
	Baa3	Moody's	August 2008
Dulles Greenway ²	BBB-	Standard and Poors	September 2009
	Ba1	Moody's	June 2011
	BBB-	Fitch	July 2010
Chicago Skyway ³	AA-	Standard and Poors	November 2011
	Aa3	Moody's	N/A

- Reflects corporate rating. In June 2009, a revised rating methodology was applied to APRR and an issuer credit rating of BBB- was assigned.
- Reflects corporate rating. The Dulles Greenway bonds have been insured by National Public Finance Guarantee Corporation (NPFGC), formerly named MBIA, and were rated AAA, Aaa and AAA on issue by S&P, Moody's and Fitch respectively. The current rating of NPFGC is BBB and Baa2 by S&P and Moody's respectively. Changes to the debt rating of NPFGC do not affect the cost of Dulles Greenway debt.
- Reflects credit insurer rating. These are the latest ratings for AGM, which has insured Skyway's senior bonds.

The debt of M6 Toll, Indiana Toll Road and Warnow Tunnel is not rated.

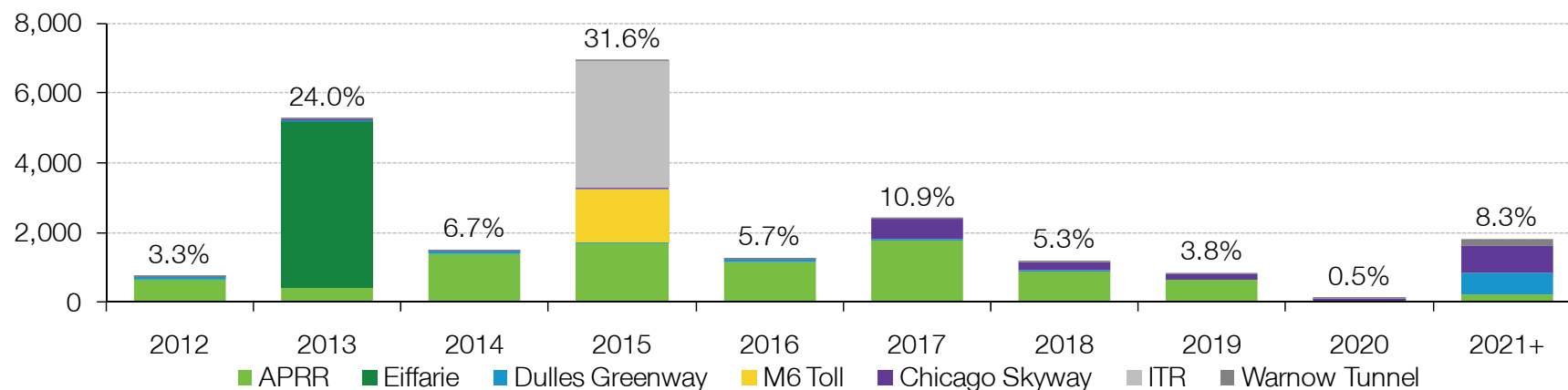
4.3 Debt Maturity Profile of Assets

Table 16 – Debt Maturity Profile of Assets¹

Assets	Currency	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021+
APRR/Eiffarie	€m	529.8	4,101.5	1,115.3	1,331.1	927.7	1,391.0	714.0	504.2	4.4	188.0
Dulles Greenway	US\$m	47.3	47.6	48.0	48.3	46.0	43.4	39.9	31.9	16.9	642.8
M6 Toll	£m	-	-	-	1,010.1	-	-	-	-	-	-
Chicago Skyway	US\$m	15.0	18.1	19.1	19.6	21.5	591.0	233.3	159.1	84.7	767.1
ITR	US\$m	-	-	-	3,733.9	-	-	-	-	-	-
Warnow Tunnel	€m	0.4	0.4	0.2	0.8	1.5	1.7	2.0	2.3	2.6	154.9

1. The above debt maturity profile reflects 100% consolidation of the debt balances of road assets as at 31 December 2011 (excluding future capitalised interest, embedded accretion and mark-to-market on step-up swaps) based on the legal maturity of each tranche. The proportionate net debt level of the road assets is ~A\$6.4bn.

Figure 26 – Debt maturity profile at 31 December 2011 (100% debt at each asset) (A\$m)



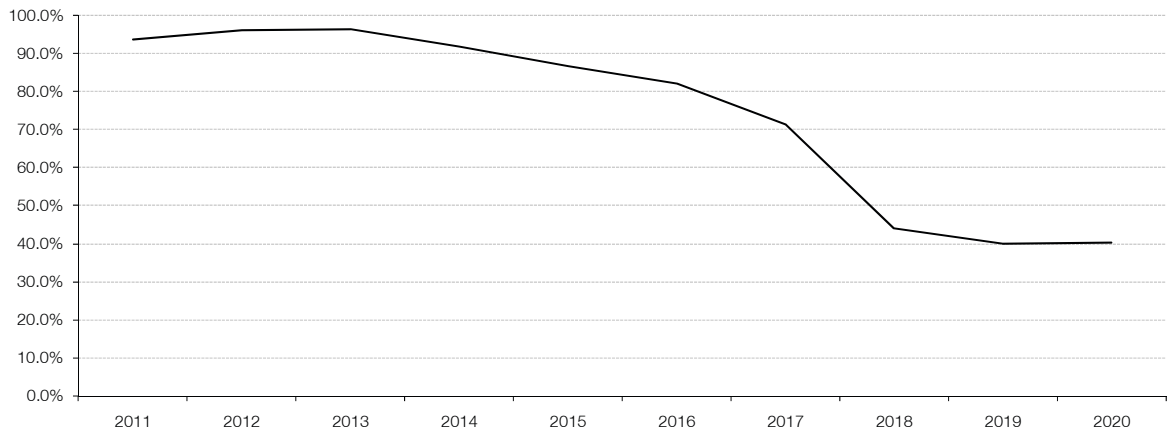
The debt maturity profile reflects 100% of the debt balances of road assets as at 31 December 2011 (excluding future capitalised interest). MQA has no corporate level debt. The chart shows the legal maturity of each debt tranche in accordance with the relevant loan agreement.

Average debt maturity at 31 December 2011 is 5.0 years (31 December 2010: 5.6 years).

Across the portfolio, the cash interest cost in the year was equivalent to an annualised interest rate of 3.7%, this is primarily a consequence of the existence of interest rate swaps on both the M6 Toll and Indiana Toll Road that have low start accreting interest rate structures, as well as the tranches of zero coupon bonds issued at Dulles Greenway. Normalising for those instruments, the equivalent interest cost would have been an annualised interest rate of 5.2%.

4.4 Hedging Profile

Figure 27 – Debt hedging profile



The above hedging profile reflects the current coverage levels for each financial year. Debt is considered hedged when the interest rate has been fixed and therefore includes fixed rate debt as well as floating rate debt with interest rate swaps in place. The portfolio has a number of CPI related debt instruments that are also considered fixed for this purpose, given the coupons on these bonds are fixed.

Except for APRR, the above hedging profile assumes that when debt matures, it is rolled forward at its existing levels.

In practice, swaps will be replaced as they mature.

4.5 DSCR Calculation Methodology

APRR

The DSCR test defined in the debt documents is $DSCR = \text{Total CFADS} / \text{Total debt service}$

- $\text{APRR CFADS} = \text{APRR's EBITDA} \pm \text{changes in working capital} - \text{capex not funded by debt} - \text{tax payments} + \text{dividends received}$
- $\text{Total CFADS} = (\text{APRR CFADS} * \text{proportion of APRR owned by Eiffarie}) - \text{Eiffarie tax paid (received)} - \text{Eiffarie opex}$
- $\text{APRR/Eiffarie debt service} = \text{net interest paid} + \text{recurring fees} + \text{net hedge payments} + \text{scheduled principal repayments (except those falling due at a final maturity date)}$
- $\text{Total debt service} = (\text{APRR debt service} * \text{proportion of APRR owned by Eiffarie}) + \text{Eiffarie debt service}$

This methodology is subject to change following the completion of the refinancing of Eiffarie/APRR debt facilities.

Dulles Greenway

The Minimum Coverage Ratio is calculated as $\text{Net Toll Revenues (Toll Revenues} - \text{Operating Expenses)} / \text{Total Debt Service}$

- $\text{Toll Revenues} = \text{all amounts received including all receivables, revenues and income generated from toll booths, plazas, and collection systems}$
- $\text{Operating Expenses} = \text{current expenses for operation and maintenance}$
- $\text{Total Debt Service} = \text{the sum of all principal of and interest on outstanding bonds payable during such period plus scheduled early redemption amounts}$

The Additional Coverage Ratio is calculated as $(\text{Net Toll Revenues} - \text{Improvement Fund Drawdowns} - \text{Operating Reserve Drawdowns}) / \text{Total Debt Service}$

- $\text{Improvement Fund Requirement} = 100\% \text{ of the amount set forth in the most recent approved budget for capital expenditure}$
- $\text{Operating Reserve Requirement} = 50\% \text{ of the amount set forth in the most recently approved budget for all current expenses}$

Both ratios are tested annually at 31 December.

M6 Toll

DSCR is defined as $\text{CFADS} / \text{Debt Service Obligations}$ over a given period, defined as:

- $\text{CFADS} = \text{the aggregate of all Gross Revenues (other than any Compensation) received during the period less the Operating Expenditure paid during the period}$
- $\text{Gross Revenues: all monies received/receivable by the Borrower (except ringfenced accounts)}$
- $\text{Compensation: Sums payable to ProjectCo in respect of nationalisation/expropriation/compulsory purchase by Government}$
- $\text{Operating Expenditure: Amounts payable by the Borrower including Taxes, Lenders' Agent expenses, any other cost up to } \pounds 1.0\text{m RPI indexed}$
- $\text{Debt Service Obligations} = \text{Scheduled interest payable, plus Scheduled principal amounts (net of refinancings) excluding prepayments, mandatory prepayments (i.e. cash sweeps) and Additional Fixed Amounts (the Swap Cash Sweep amounts), plus any fees related to the debt, and net amounts paid/received under the Swap, excluding Swap Termination Payments}$

Chicago Skyway

On Skyway the DSCR is calculated as Net Cash Flow / Senior Debt Service.

- Net Cash Flow = Toll Revenue + Concession Revenue + Interest Revenue – Opex
- Senior Debt Service = Senior Principal + Senior Interest + Senior Debt Fees

The lock-up test is on a two-year look forward, one year look-back basis.

Indiana Toll Road

On ITR the DSCR is calculated as Net Cash Flow / Debt Service

- Net Cash Flow = Toll Revenue + Concession Revenue + Interest Revenue – Opex
- Debt Service = Principal + Interest + Debt Fees

For ITR, DSCR is brought back up to 1.00x by Liquidity Facility drawdowns.

Warnow Tunnel

The Annual DSCR shall be for each Payment Date the ratio of the Total Cash Flow Available for Debt Service for the past 12 months to the total amount of interest and principal, payable under the Tranche I for the same period. The Annual DSCR shall be calculated by the Facility Agent at each Calculation Date on the basis of the information available in the latest unaudited financial statements or if available, the latest audited financial statements of the Borrower as the case may be. The Annual DSCR shall be at least equal to 1.05x.

An aerial photograph of a cable-stayed bridge, overlaid with a semi-transparent green filter. The bridge's cables create a strong geometric pattern across the frame. The background shows a landscape with a river, fields, and some buildings.

Appendices

APPENDIX 1 – RECONCILIATION TO STATUTORY ACCOUNTS

Table 17 – Overview

The table below summarises the key differences between the basis of preparation of this Report and the MQA Financial Report which is prepared in accordance with Australian Accounting Standards.

Statutory result for the period	Proportionally consolidated financial performance
<p>M6 Toll results consolidated. Non-controlled toll road asset results included in share of losses from associates.</p> <p>Share of losses from associates reflects underlying results of each non-controlled asset adjusted for:</p> <ul style="list-style-type: none"> - purchase price allocations which results in additional toll concession amortisation - fair value movements on asset level interest rate swaps which must be taken through the income statement, even though they may be taken through reserves (accounted for as effective cash flow hedges) at the non-controlled asset level <p>Losses of associates are brought to account only to the extent that the investment carrying value is above \$Nil.</p>	<p>Aggregation of operating results of proportionate interests in all toll road assets.</p> <p>Life of concession maintenance capex is allocated to each period based on traffic volumes.</p>
<p>Cash and non cash financing and operating lease costs reflected in statutory accounts.</p>	<p>Interest and tax reflect cash payable in respect of the period.</p>
<p>Performance fees are initially recognised at fair value on each calculation date taking into account the performance of the MQA security price and relevant benchmark. This can result in performance fee instalments which may become payable in future years being recognised in the statutory accounts.</p>	<p>Only performance fees which become payable in the period are included in corporate net expenses.</p>
<p>Where the recoverable amount of an asset is determined to be below the carrying value, an impairment charge is recognised.</p>	<p>Provisions for impairment are not included.</p>
Statutory cash flow statement	Aggregated cash flow statement
<p>MQA owns 100% of the M6 Toll and consequently consolidates the road operator company group cash flows relating to this toll road in its statutory results. Only cash flows from MQA's non-controlled assets are reflected as distributions from assets.</p>	<p>The cash flows and closing cash balance presented in the MIR excludes those balances of the road operator company groups. Cash flows related to MQA's toll road assets are reflected in the MIR as distributions from assets at the corporate level.</p>

Table 18 – Reconciliation – Statutory Results to Proportionate Earnings

	12 months ended 31 Dec 2011 A\$m	2 Feb to 31 Dec 2010 A\$m
Loss attributable to MQA security holders	(289.5)	(142.5)
<i>M6 Toll related adjustments:</i>		
Less: Non-cash financing costs	47.9	43.1
Less: Depreciation and amortisation net of maintenance capex	26.4	21.9
Less: Operating lease accrual net of cash payments	12.4	9.7
Less: Tax Benefit	(19.1)	(12.4)
<i>Non-controlled investment adjustments:</i>		
Less: Share of net loss of associates net of loss attributable to minority interests	90.3	124.4
Less: Impairment loss on equity accounted investments	67.4	-
Less: Gain on deconsolidation of subsidiaries	-	(54.0)
Add: Proportionate earnings from non-controlled assets	212.6	157.4
<i>MQA corporate level adjustments:</i>		
Less: 2011/2010 Performance fees accrued, not payable in current period	33.4	8.3
Add: 2010 Performance fees accrued in prior period, payable in current period	(4.2)	-
<i>Other Items:</i>	0.9	(3.0)
MQA Proportionate Earnings	178.6	153.0
Less: Corporate net interest income	(1.0)	(3.7)
Less: Corporate net expenses	37.8	20.1
MQA Proportionate earnings from road assets	215.4	169.4

Table 19 – Reconciliation – Statutory to MIR operating cash flows

	12 months ended 31 Dec 2011 A\$m	2 Feb to 31 Dec 2010 A\$m
Net statutory operating cash flows	44.9	67.0
<i>M6 Toll related adjustments:</i>		
Less: Toll revenue received	(105.4)	(112.5)
Less: Interest and other income received	(4.1)	(4.5)
Add: Net indirect taxes paid	18.5	13.1
Add: Payments to suppliers and employees	13.2	12.7
Add: Operating lease rent paid	16.7	17.0
<i>MQA corporate level adjustments:</i>		
Add: Distributions received from assets	13.7	26.0
Net MIR operating cash flows (per MIR)	(2.4)	18.6

Table 20 – Reconciliation – Statutory to MIR closing cash balance

	31 Dec 2011 A\$m	31 Dec 2010 A\$m
Statutory closing cash balance	56.1	66.0
Less: M6 Toll closing cash balance	(35.8)	(42.9)
Closing cash balance per MIR	20.3	23.1

APPENDIX 2 – MACROECONOMIC INDICATORS

Table 21 – Spot foreign exchange rates

	31 December 11
Euro	0.7908
Pound Sterling	0.6605
United States Dollar	1.0246

The spot exchange rates in this table are the exchange rates that have been applied to the translation of proportionate net debt as at 31 December 2011.

Table 22 – Average foreign exchange rates

	Quarter ended 31 Mar 11	Quarter ended 30 Jun 11	Quarter ended 30 Sep 11	Quarter ended 31 Dec 11
Euro	0.7348	0.7383	0.7430	0.7519
Pound Sterling	0.6277	0.6516	0.6519	0.6445
United States Dollar	1.0060	1.0628	1.0491	1.0129

In deriving Australian Dollar income for the purpose of proportionate earnings, the Group applies quarterly average exchange rates to all foreign income and expenses in the relevant quarter. The above table highlights the average exchange rates applied for the 12 months ended 31 December 2011.

APPENDIX 3 – TRAFFIC PERFORMANCE

Table 23 – Traffic performance vs pcp

Asset	12 months	12 months	Change vs. pcp	Quarter vs. pcp			
	31 Dec 11	31 Dec 10		Mar 11	Jun 11	Sep 11	Dec 11
APRR							
Light Vehicle VKT (millions)	18,203	17,953	1.4%				
Heavy Vehicle VKT (millions)	3,297	3,203	2.9%				
Total VKT (millions)	21,500	21,157	1.6%	4.1%	(0.8%)	0.7%	3.2%
Toll Revenue (€m)	1,961	1,882	4.2%	6.7%	2.6%	3.5%	4.2%
Dulles Greenway							
Av Workday Traffic	54,370	55,698	(2.4%)				
Av Non-workday Traffic	29,159	29,972	(2.7%)				
Av All day Traffic	46,427	47,663	(2.6%)	0.7%	(5.9%)	(3.5%)	(1.1%)
Av Daily Rev (US\$)	182,554	177,949	2.6%	12.0%	3.9%	(3.2%)	(0.6%)
M6 Toll							
Av Workday Traffic	40,434	44,409	(9.0%)				
Av Non-workday Traffic	25,326	29,326	(13.6%)				
Av All day Traffic	35,715	39,781	(10.2%)	(1.3%)	(13.0%)	(14.3%)	(10.7%)
Av Daily Rev (£)	158,580	170,863	(7.2%)	1.9%	(9.8%)	(11.0%)	(7.9%)
Chicago Skyway							
Av Workday Traffic	40,647	43,476	(6.5%)				
Av Non-workday Traffic	45,152	48,312	(6.5%)				
Av All day Traffic	42,066	44,987	(6.5%)	(6.5%)	(5.5%)	(7.6%)	(6.2%)
Av Daily Rev (US\$)	183,713	162,285	13.2%	12.7%	14.0%	12.3%	13.9%
Indiana Toll Road							
All Days – Ticket FLET	23,679	24,041	(1.6%)				
All Days – Barrier FLET	47,604	50,573	(5.9%)				
All Days – Total FLET	27,311	28,097	(2.8%)	(1.4%)	(3.8%)	(4.2%)	(1.1%)
Av Daily Rev (US\$)	476,310	448,824	6.1%	15.0%	9.5%	0.5%	2.8%
Warnow Tunnel							
Av All Day Traffic	11,272	11,167	0.9%	14.3%	1.5%	(2.5%)	(5.7%)
Av Daily Rev (€)	24,076	22,091	9.0%	23.9%	10.0%	5.8%	1.4%
Portfolio Average							
Weighted Av Traffic			(0.7%)	2.8%	(3.0%)	(2.0%)	0.4%
Weighted Av Revenue			2.8%	7.0%	1.6%	1.2%	2.3%